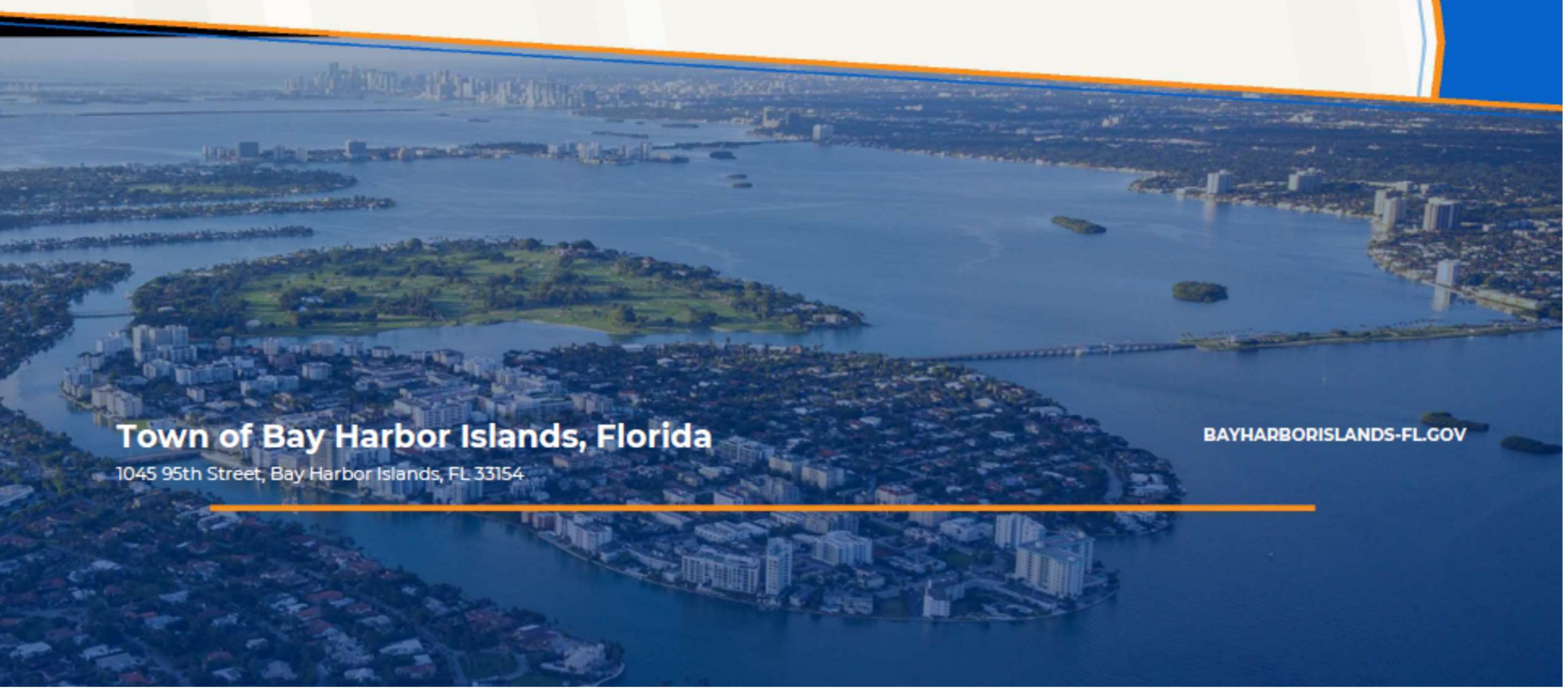
TOWN OF
BAY HARBOR
ISLANDS

FLORIDA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025

Prepared by the Finance Department



Town of Bay Harbor Islands, Florida
1045 95th Street, Bay Harbor Islands, FL 33154

BAYHARBORISLANDS-FL.GOV

TOWN OF BAY HARBOR ISLANDS, FLORIDA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

BAY HARBOR ISLANDS

FLORIDA

TOWN OF
BAY HARBOR
ISLANDS
FLORIDA

TOWN COUNCIL
Isaac Salver
Mayor
Stephanie Bruder
Vice Mayor
Robert Yaffe
Council Member
Joshua D. Fuller
Council Member
Molly Diallo
Council Member
Eric Rappaport
Council Member
Elchonon Shagalov
Council Member

TOWN OFFICIALS
Lindsley Noel
Town Manager
Evelyn Herbello
Town Clerk

July 31, 2026

To the Honorable Mayor Isaac Salver, Vice Mayor Stephanie Bruder, members of the Town Council, and citizens of the Town of Bay Harbor Islands:

State law requires that all general-purpose local governments publish within nine months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States (GAAP) and audited in accordance with generally accepted auditing standards and government auditing standards by licensed certified public accountants. In addition, Section 31 of the Town Charter requires that qualified public accountants shall make an independent audit of accounts for submission to the Town Council. In fulfillment of these requirements, the Town's Annual Comprehensive Financial Report for the year ended September 30, 2025, is presented for your consideration and review.

Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with the Town. We believe the information as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain general understanding of the Town's financial activity have been included. To provide a reasonable basis for making these representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Bay Harbor Islands' financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Citrin Cooperman LLP, a licensed certified public accounting firm, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Bay Harbor Islands for the year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the year ended September 30, 2025 are fairly presented in accordance with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview, and analysis provided by management accompanying the basic financial statements. This letter of transmittal is complementary to the MD&A and should be read in conjunction with it. The Town of Bay Harbor Islands' MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The Town of Bay Harbor Islands has 5,887 residents according to the latest available estimate in 2025 from the U.S. Census Bureau. Located in northeastern Miami-Dade County, it is comprised of two islands in the Intracoastal Waterway. The Broad Causeway provides access from the Town to the mainland and to the beaches of the barrier island. The Town has a very low crime rate and enjoys moderate subtropical temperatures and weather.

The Town was incorporated in 1947 and operates under a council-manager form of government. The seven-member Town Council establishes policy, enacts legislation, and adopts budgets. The Town provides a full range of services: public safety (police, building and zoning), transportation and the construction and maintenance of roads, infrastructure, and recreation facilities, operation and maintenance of a causeway, water and sewer utilities, sanitation (refuse collection), operation and maintenance of parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Manager presents a proposed budget to the Town Council, after having reviewed and revised budget requests from all departments. The Council holds two public hearings to receive public comment prior to adopting the final budget and tax millage rate upon the taxable value. For the current fiscal year, the applicable millage rate was 3.1728. The budget must be adopted prior to September 30th. The department is the legal level of budgetary control. The Town Council must approve all supplemental appropriations and any transfers of appropriations between departments.

The Town maintains budgetary controls for all of its funds except fiduciary funds. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget adopted by the Town's Council. Activities of the various funds are included in the annual budget. The legal level of control (such as, the level at which actual expenditures and transfers out cannot legally exceed the "budget" appropriations) is maintained at the department or fund level. Budget-to-actual comparisons are provided for the General Fund and other annually budgeted governmental funds in the Required Supplementary Information section following the notes to the financial statements and demonstrate how the actual expenditure compares to both the original and final revised budgets.

Information Relevant to an Assessment of Financial Condition

The Town's financial condition is influenced by its geographic location, demographic trends, and economic environment.

Property values have continued to strengthen. According to the Miami-Dade County Property Appraiser, existing property values increased 5.5% as of July 1, 2025. Redevelopment of older residential and commercial properties continues to modernize the Town's built environment and expand the tax base. These trends, combined with stable economic conditions, are expected to positively impact the Town's ability to generate revenues.

The Town benefits from proximity to major employment centers, cultural amenities, and transportation hubs throughout Miami-Dade County. Residents have convenient access to regional airports, seaports, and commercial districts.

Long-term Financial Planning

Redevelopment of commercial and residential properties continues to enhance the Town's taxbase, and several significant multi-family projects should be added to the Town tax rolls for upcoming fiscal years. Sales of transferable development rights needed for the development of larger multi-family projects have continued, but since those receipts are from the sales of limited assets, they are not budgeted nor used to support ongoing operations.

The Town maintains healthy reserves. As of September 30, 2025, governmental fund balances totaled $27.46 million, including:

- $13.93 million restricted for Florida Building Code enforcement
- $10.81 million assigned for capital projects
- $1.40 million in the General Fund
- Additional restricted balances for law enforcement, park improvements, and debt service

These reserves support capital planning, provide flexibility for unforeseen events, and contribute to the Town's strong financial position.

The Town continues to invest in infrastructure, including roadway improvements, utility system upgrades, stormwater enhancements, and recreational facilities. Long term capital planning is aligned with maintaining service levels, supporting redevelopment, and preserving the Town's quality of life.

Acknowledgements

As always, we would like to thank the Mayor, Vice Mayor, and members of the Town Council for their support and endorsement of sound accounting, financial management, and financial reporting practices and to express our appreciation to our independent certified public accountants, Citrin Cooperman LLP, for their cooperation, assistance, and professionalism. We would also like to express our appreciation to everyone on the Finance Department team for their dedication and hard work.

Respectfully submitted,

Lindsley Noel, Town Manager

TOWN OF BAY HARBOR ISLANDS, FLORIDA
LIST OF TOWN OFFICIALS
SEPTEMBER 30, 2025

COUNCIL-MANAGER FORM OF GOVERNMENT

TOWN COUNCIL

ISAAC SALVER, MAYOR

STEPHANIE BRUDER, VICE MAYOR

ROBERT H. YAFFE
JOSHUA D. FULLER
ELCHONON SHAGALOV
ERIC RAPPAPORT
MOLLY DIALLO

TOWN MANAGER

LINDSLEY NOEL

TOWN CLERK

EVELYN HERBELLO

TOWN ATTORNEY

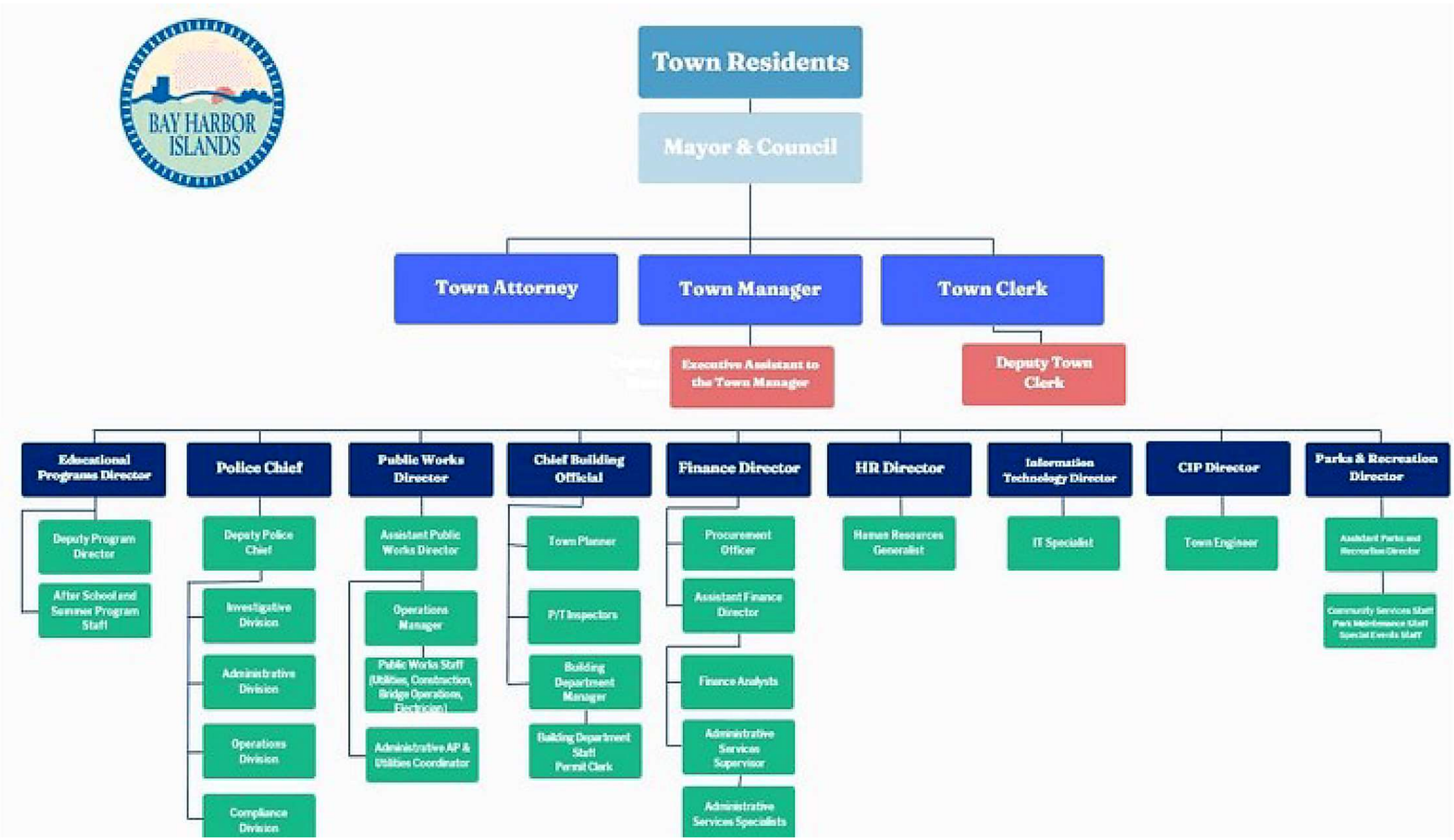
GREENSPOON MARDER LLP, JOSEPH GELLER

TOWN FINANCE DIRECTOR

GERALD BRYAN

INDEPENDENT AUDITORS

CITRIN COOPERMAN LLP


BAY HARBOR ISLANDS
Town Residents
Mayor & Council
Town Attorney
Town Manager
Town Clerk
Executive Assistant to the Town Manager
Deputy Town Clerk
Educational Programs Director
Deputy Program Director
After School and Summer Program Staff
Police Chief
Deputy Police Chief
Investigative Division
Administrative Division
Operations Division
Compliance Division
Public Works Director
Assistant Public Works Director
Operations Manager
Public Works Staff (Utilities, Construction, Bridge Operations, Electrician)
Administrative AP & Utilities Coordinator
Chief Building Official
Town Planner
P/T Inspectors
Building Department Manager
Building Department Staff
Permit Clerk
Finance Director
Procurement Officer
Assistant Finance Director
Finance Analysts
Administrative Services Supervisor
Administrative Services Specialists
HR Director
Human Resources Generalist
Information Technology Director
IT Specialist
CIP Director
Town Engineer
Parks & Recreation Director
Assistant Parks and Recreation Director
Community Services Staff
Park Maintenance Staff
Special Events Staff

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Bay Harbor Islands
Florida

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill
Executive Director/CEO

FINANCIAL SECTION

Citrin Cooperman & Company, LLP
Certified Public Accountants

6550 N Federal Hwy, 4th Floor
Fort Lauderdale, FL 33308
T 954.771.0896 **F** 954.938.9353
citrincooperman.com

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Town Council and Town Manager
Town of Bay Harbor Islands, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bay Harbor Islands, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of September 30, 2025, and the changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

Adoption of New Accounting Principle
As discussed in Note 12 to the financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Correction of Error
As discussed in Note 12 to the financial statements, the Town corrected an error related to the reporting of fund balance and restricted net position associated with building and inspection activities. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, and the schedules related to pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
July 31, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

As management of the Town of Bay Harbor Islands, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages i - iii of this report.

Financial Highlights

- The assets plus deferred outflows of resources of the Town of Bay Harbor Islands exceeded its liabilities plus deferred inflows of resources at the close of the most recent fiscal year by $123,052,617 (net position). Of this amount, $51,196,360 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.

- The Town's total net position increased by $10,979,190.

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of $27,462,077 an increase of $2,836,073 in comparison with the prior year. $929,492 or 3.38% is available in the Town's general fund for spending at the government's discretion (unassigned fund balance). The $10,806,881 assigned fund balance of the capital projects fund is intended to provide resources for planned infrastructure capital projects and is not available for general discretionary spending.

- The Town's total debt decreased by $1,641,441 or 13.2% during the current fiscal year primarily due to scheduled repayment of existing debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Bay Harbor Islands' basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Town's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the Town of Bay Harbor Islands that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include general government, public safety (law enforcement, building inspections and code enforcement), transportation (street maintenance and bus service), support for the local library, and parks and recreation. The business-type activities of the Town include operation of a causeway and toll facility, as well as sewer, water, parking, solid waste disposal, and stormwater management systems.

The government-wide financial statements can be found on pages 16-17 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Bay Harbor Islands, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Bay Harbor Islands can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Town of Bay Harbor Islands maintains six governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the Florida building code enforcement fund, and the capital projects fund (three major funds). The Town has three nonmajor funds representing youth development grants, impact fees and police forfeitures. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining financial statements and schedules section of this report.

The Town adopts annual appropriated budgets for its General Fund, Building Fund, Capital Projects Fund, Park Impact Fees Fund, and Youth Development Fund. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with annually adopted budgets.

The governmental fund financial statements can be found on pages 18-21 of this report.

Proprietary Funds. The Town of Bay Harbor Islands maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its causeway and toll facility, as well as its sewer, water, parking, solid waste, and stormwater management operations.

The proprietary fund financial statements can be found on pages 22-28 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Pension Trust Fund is the Town's only fiduciary fund.

The basic fiduciary fund financial statements can be found on pages 29-30 of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-58 of this report.

Other Information

In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information including the budgetary comparison for the general fund, budgetary comparison for the building fund, information concerning the Town's contributions to provide pension benefits to its employees, and the funding status of the pension and OPEB plans. Required supplementary information can be found on pages 59-65 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 66-70 of this report.

Government-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Bay Harbor Islands, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $123,052,617 at the close of the most recent fiscal year.

The Town corrected certain amounts reported as restricted fund balance and restricted net position in their building fund, as a result the 2024 restricted net position has been updated below to reflect the amount that should have been reported. The Town also adopted GASB Statement No. 101, *Compensated Absences*, which required an adjustment to the opening balance of net position for the governmental activities and business-type activities. In accordance with GASB 100, no amounts are adjusted in this MD&A related to the adoption of the new standard.

Summary of Net Position

TABLE 1
TOWN OF BAY HARBOR ISLANDS, FLORIDA
Summary of Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 25	**FY 24**	**FY 25**	**FY 24**	**FY 25**	**FY 24**
Assets:						
Current and other assets	$ 29,941,142	$ 28,009,396	$ 48,530,337	$ 39,950,277	$ 78,471,479	$ 67,959,673
Capital assets	21,345,085	22,107,014	44,829,027	45,458,883	66,174,112	67,565,897
Total assets	**51,286,227**	**50,116,410**	**93,359,364**	**85,409,160**	**144,645,591**	**135,525,570**
Total deferred outflows of resources	**1,427,008**	**3,900,635**	**922,387**	**1,718,163**	**2,349,395**	**5,618,798**
Liabilities:						
Other liabilities	1,837,563	3,409,182	1,162,501	1,529,362	3,000,064	4,938,544
Long-term liabilities outstanding	6,794,954	8,887,286	6,267,099	7,833,815	13,062,053	16,721,101
Total liabilities	**8,632,517**	**12,296,468**	**7,429,600**	**9,363,177**	**16,062,117**	**21,659,645**
Total deferred inflows of resources	**584,005**	**91,795**	**7,296,247**	**6,541,945**	**7,880,252**	**6,633,740**
Net position:						
Net investment in capital assets	16,065,159	16,230,001	39,299,018	38,786,568	55,364,177	55,016,569
Restricted (2024 restated)	16,062,464	11,552,670	429,616	-	16,492,080	11,552,670
Unrestricted	11,369,090	13,846,111	39,827,270	32,435,633	51,196,360	46,281,744
Total net position	**$ 43,496,713**	**$ 41,628,782**	**$ 79,555,904**	**$ 71,222,201**	**$ 123,052,617**	**$ 112,850,983**

$55,364,177, which is 44.99% of the Town's reported net position, is composed of its investment in capital assets (e.g., land, building, and equipment) less any related debt and any deferred inflows/outflows used to acquire those assets that are still outstanding. Net investment in capital assets had an increase of $347,608 from the prior year. This change is primarily the result of scheduled principal repayments on outstanding debt, which reduce related liabilities, and current year capital additions across governmental and business-type activities. These increases were partially offset by annual depreciation expense, which reduces the carrying value of capital assets. Overall, the Town's capital asset base remained stable, with modest growth driven by ongoing infrastructure investment and debt reduction. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

As of September 30, 2025, leases receivable amounted to $7,250,176. Leases increased in comparison with prior year. This increase reflects the continued amortization of long-term lease arrangements associated with the Town's parking facilities and other leased assets. The growth is consistent with the terms of existing lease agreements and represents the present value of future lease payments owed to the Town.

$16.492.080, which is 13.40% of the Town's net position, is subject to external restrictions on use. This change is almost entirely attributable to the creation of the Florida Building Code Enforcement Fund, which now holds $13,930,073 of restricted resources that were previously reported in the General Fund. In addition, restricted balances for debt service and park impact fees increased due to timing differences between revenue collection and project spending. These externally restricted resources can only be used for their legally authorized purposes, resulting in a substantial year-over-year increase in restricted net position.

$51,196,360, which is 41.61% of the Town's net position, may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Bay Harbor Islands is able to report positive balances in all reported categories of net position, for the Town as a whole, as well as for its separate governmental and business-type activities.

Summary of Changes in Net Position

TABLE 2
TOWN OF BAY HARBOR ISLANDS, FLORIDA
Summary of Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	FY 25	**FY 24**	**FY 25**	**FY 24**	**FY 25**	**FY 24**
Revenues:						
Program revenues:						
Charges for services	$ 6,879,889	$ 9,290,086	$ 20,055,249	$ 19,604,151	$ 26,935,138	$ 28,894,237
Capital grants and contributions	-	121,484	177,004	240,692	177,004	362,176
Operating grants and contributions	447,076	965,098	108,887	-	555,963	965,098
General Revenues:						
Property taxes	6,451,245	5,871,196	-	-	6,451,245	5,871,196
Franchise taxes and utility taxes	1,281,163	1,167,159	-	-	1,281,163	1,167,159
Communication service tax	241,464	217,871	-	-	241,464	217,871
Impact fees	30,882	209,308	36,905	79,803	67,787	289,111
Intergovernmental	1,264,453	886,297	-	-	1,264,453	886,297
Investment income	555,130	387,197	1,524,631	729,655	2,079,761	1,116,852
Other revenues	239,327	126,174	411,932	356,991	651,259	483,165
Total revenues	**17,390,629**	**19,241,870**	**22,314,608**	**21,011,292**	**39,705,237**	**40,253,162**
Expenses:						
General government	3,292,273	4,256,803	-	-	3,292,273	4,256,803
Public safety	9,365,977	8,916,488	-	-	9,365,977	8,916,488
Transportation	1,613,319	1,456,465	-	-	1,613,319	1,456,465
Culture and recreation	1,820,274	2,856,978	-	-	1,820,274	2,856,978
Interest	162,533	93,945	-	-	162,533	93,945
Causeway	-	-	5,752,455	6,445,697	5,752,455	6,445,697
Sewer	-	-	2,274,243	2,380,494	2,274,243	2,380,494
Water	-	-	1,680,850	1,572,006	1,680,850	1,572,006
Parking	-	-	1,172,304	1,048,839	1,172,304	1,048,839
Solid Waste	-	-	1,098,066	1,021,107	1,098,066	1,021,107
Stormwater	-	-	493,753	397,311	493,753	397,311
Total expenses	**16,254,376**	**17,580,679**	**12,471,671**	**12,865,454**	**28,726,047**	**30,446,133**
Change in net position before transfers	1,136,253	1,661,191	9,842,937	8,145,838	10,979,190	9,807,029
Transfers	1,340,000	1,125,000	(1,340,000)	(1,125,000)	-	-
Change in net position	2,476,253	2,786,191	8,502,937	7,020,838	10,979,190	9,807,029
Net position, beginning of year (2025 as Restated)	41,020,460	38,842,591	71,052,967	64,201,363	112,073,427	103,043,954
Net position, end of year	**$ 43,496,713**	**$ 41,628,782**	**$ 79,555,904**	**$ 71,222,201**	**$ 123,052,617**	**$ 112,850,983**

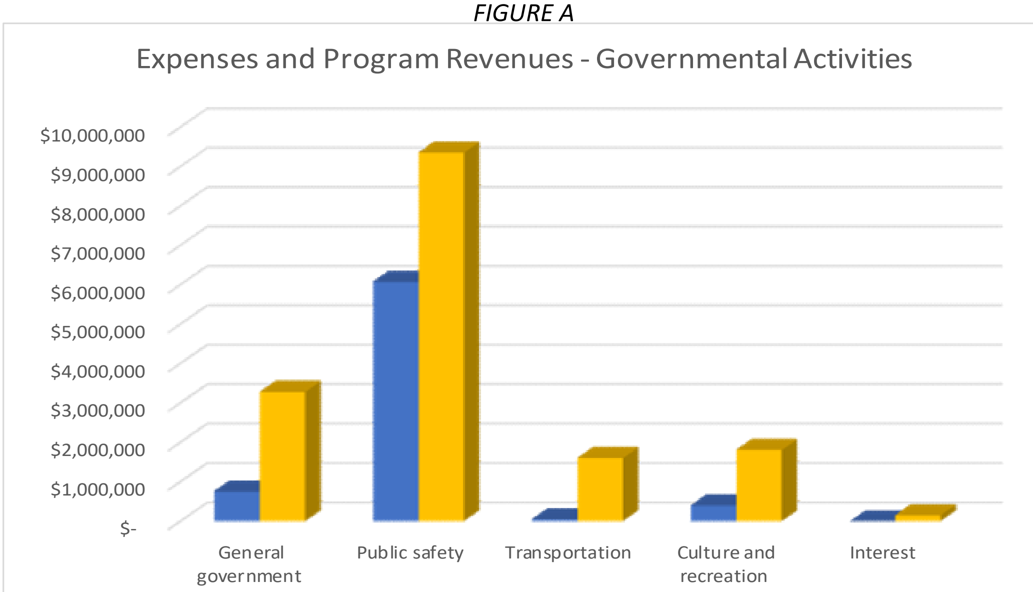
Governmental Activities

The Town's governmental activities net position increased by $2,476,253 or 6.04% to $43,496,713 at the end of the year. Total revenues of $17,390,629 exceeded total expenses of $16,254,376, generating a $1,136,253 change in net position before transfers. After transfers of $1,340,000, net position increased $2,476,253.

Total governmental revenues declined by approximately $1.85 million, from $19.2 million in FY24 to $17.4 million in FY25, primarily due to the absence of several non-recurring or externally driven revenue sources that were present in the prior year. The $2.4 million decrease in charges for services is attributable to significant non-recurring Transfer Development Rights ("TDR") sales ($3.4 million) recorded in the prior year. In addition, building related revenues were reclassified to the newly established Building Code Enforcement Fund, reducing General Fund charges for services. Grants and contributions declined by approximately $640 thousand, driven by the completion of prior year capital projects, which eliminated prior year capital grant activity, reflecting the elimination of capital grants and a $518 thousand reduction in operating grants. Impact fees declined by $178 thousand, consistent with a decrease in new development activity compared to prior year. These decreases were partially offset by increases in several recurring revenue sources. Property taxes increased by $580 thousand due to growth in the Town's taxable assessed value. Intergovernmental revenues increased by $378 thousand, reflecting higher state shared revenues and municipal revenue sharing distributions tied to statewide economic performance. Investment income increased by $168 thousand, driven by higher interest rates and larger average cash and investment balances. Franchise and utility taxes increased by $114 thousand, consistent with higher consumption patterns and rate adjustments by utility providers. Other revenues increased by $113 thousand, largely due to miscellaneous receipts and timing differences in departmental reimbursements. Total governmental expenses declined by approximately $1.4 million, from $17.6 million in FY24 to $16.2 million in FY25. The most significant drivers were a $1.1 million decrease in culture and recreation expenditures and a $965 thousand decrease in general government expenditures. These decreases reflect the completion of prior year programming, reduced capital outlay, and the reclassification of building code enforcement expenditures to the new Building Fund. These reductions were partially offset by a $449 thousand increase in public safety spending, driven by personnel costs, equipment needs, and contractual services, and a $157 thousand increase in transportation costs, reflecting higher transit operating costs and street maintenance activity.

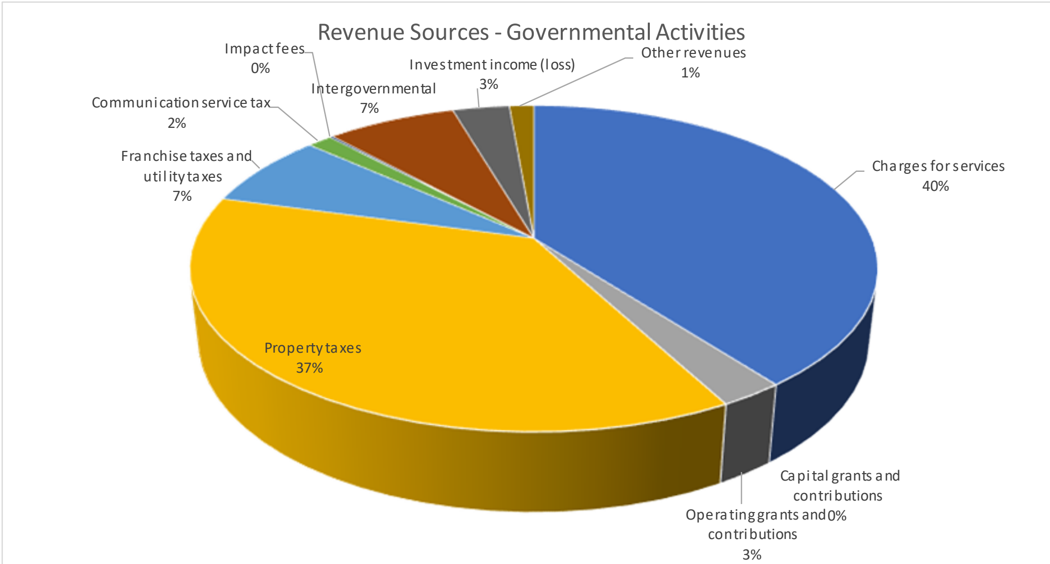
In FY2025, the Town recognized lease revenue of $109,525, consistent with long term lease arrangements associated with Town facilities.

FIGURE A



- Program revenues, comprised of charges for services, operating grants and contributions, and capital grants and contributions, were 39.1% of total governmental activities revenues (including transfers). In addition, property taxes, which represents 34.4% of total revenues for governmental activities, are non-program specific and are used to fund all activities not covered by program revenues. There are also other revenues that the Town collects that have other uses and restrictions based on the source.

FIGURE B



Business-type Activities

- Business-type activities increased the Town of Bay Harbor Islands' net position by $8,502,937. All enterprise funds with the exception of the Solid Waste Fund and the Water Fund generated a positive operating income for the FY2025. Net transfers from the Town's business-type activities to its governmental activities increased by $215,000 or 19.1% to $1,340,000 over the prior year, including planned transfers to fund debt service on debt related to the community enhancements project.

- Causeway Fund charges for services increased by $1,163,652 or 10.0% compared to the FY2024 due to an increase in causeway traffic. Operating expenses decreased by $656,756 or 10.4%, compared to FY2024 reflecting reduced maintenance activity. The change in net position of approximately $7.6 million increased ending net position compared to the prior year.

- Sewer Fund charges for services decreased by $301,816 or 10.5% in FY2025 compared to the FY2024. The Town received capital grants of $63,375 in FY2025, which were not received in FY2024. Sewer Fund expenses decreased by $110,095 or 4.6% in FY2025. The Town does not own its own sewer plant and passes through rate changes from the City of Miami Beach to its residents. Overall, this increased net position by $144,714 compared to the prior year.

- Water Fund charges for services increased by $35,575 or 2.3% which is attributed to the Town increasing water service rates to offset Miami-Dade County increase in water service rates to the Town. The Town of Bay Harbor Islands does not currently have an alternative source to purchase water and to maintain proper fiscal discipline had to pass-through the County's increase in water rates to its residents. Water Fund operating expenses increased by $108,844 or 6.9% compared to FY2024.

- Parking Fund revenues decreased by $302,821 or 16.6% due to a decrease in parking permit sales, meter collections, and parking fines. Parking Fund expenses increased by $131,867 or 13.03% compared to the FY2024. Parking Fund expenses are difficult to lower since Parking Garage bonds are fixed and not easily conducive to the cost control measures that might be available to control other costs.

- Solid Waste Fund revenues decreased by $72,399 or 6.7% due to a reduction in billings for FY2025. Since the Town does not own its own fleet of waste collection vehicles, accordingly, to maintain the proper fiscal discipline, the Town passed the increase in solid waste collection fees to its residents. Solid Waste Fund expenses increased by $76,959 or 7.5% which is attributed to an increase in contractor expenses and rates during FY2025. The combination of lower revenues and higher expenses resulted in a net program loss for FY2025 compared to a net program surplus of $69,756 in FY2024.

- Stormwater Fund charges for services decreased by $71,093 or 10.5% in FY2025. Capital grants increased by $56,059 to $132,133, partially offsetting the revenue decline. Stormwater Fund expenses increased by $96,442 or 24.3% compared to FY2024.

FIGURE C

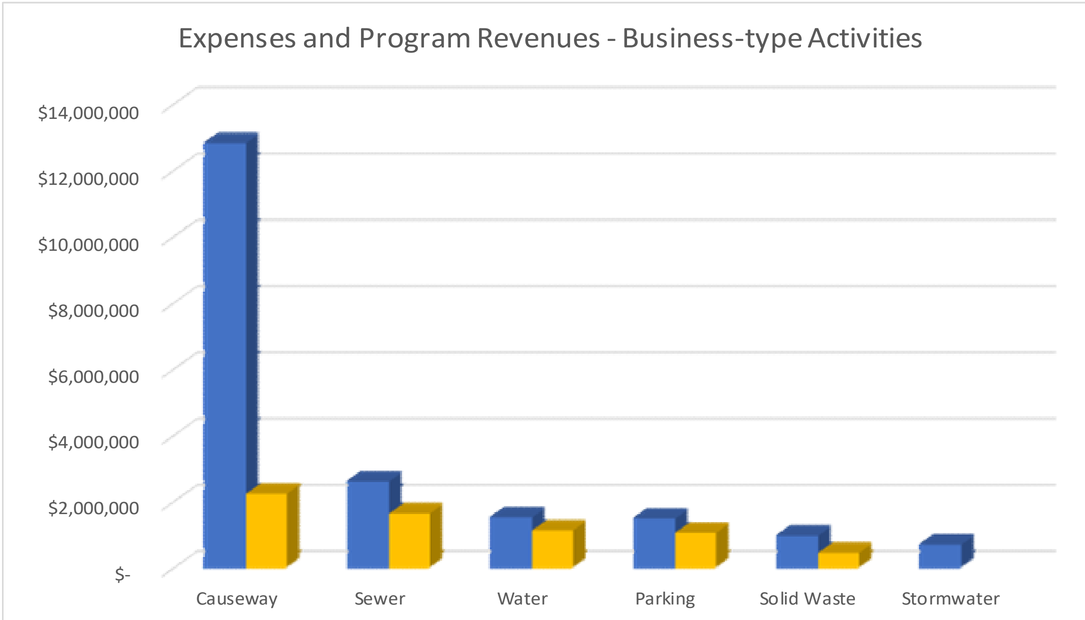
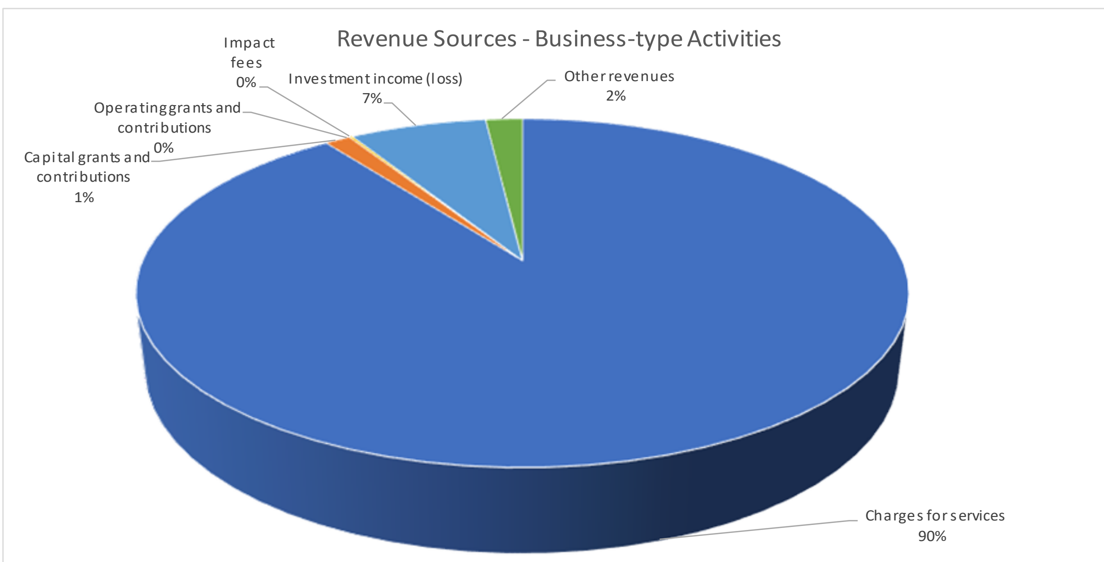


FIGURE D



Financial Analysis of the Government's Funds

As noted earlier, the Town of Bay Harbor Islands uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Bay Harbor Islands' governmental funds reported combined ending fund balance of $27,462,077 an increase of $2,836,073 in comparison with the prior year. The increase is mostly attributable to a surplus of revenues over expenditures in the building code enforcement fund. Total transfers from the Town's proprietary funds to the governmental funds increased by $215,000 or 19.1% to $1,340,000 over the prior year. General fund expenditures decreased by approximately $2.9 million, driven by the creation of the new building code enforcement fund, and reductions in spending for recreational activities and capital outlay.

Total governmental fund balance is $27,462,077, of which, 5.12% or $1,404,871 is attributable to the general fund. In addition, the general fund unassigned fund balance is $929,492, without restrictions and is available for spending at the Town's discretion. The remainder of fund balance is either non-spendable to indicate that it is not available for new spending because it is associated with inventories $38,362, or prepaid items $372,692, restricted for specific uses by law enforcement agreement $8,893, restricted for debt service $64,325, restricted for park improvements $1,395,022, restricted for Florida building code enforcement $13,930,073, an unassigned deficit in the youth development fund -$83,663, or is assigned such as the fund balance of the capital projects fund intended to fund capital projects $10,806,881.

General Fund

The general fund is the main operating fund of the Town of Bay Harbor Islands. At the end of the current fiscal year, unassigned fund balance of the general fund was $929,492 while total fund balance was $1,404,871. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total general fund balance to total general fund expenditures. Unassigned fund balance represents 7.68% of total general fund expenditures, while total general fund balance represents 11.61% of total general fund expenditures.

The Town of Bay Harbor Islands' general fund balance decreased by approximately $10,360,000 during the current fiscal year. Overall general fund revenues declined by 33.6% relative to the prior year primarily as a result of the Town establishing a new special revenue fund to record building code enforcement activity. In prior years, the revenue and expenditures associated with building code enforcement activity were recorded in the general fund. General Fund expenditures declined by 19.4% due in large part to the separation of this activity from the general fund.

TABLE 3
TOWN OF BAY HARBOR ISLANDS, FLORIDA
Summary of General Fund Revenues

	2025		2024		Increase/ (Decrease)	% of Increase/
	Amount	% of Total	Amount	% of Total	2024	(Decrease)
Revenues:						
Property taxes	$ 6,451,245	64.0%	$ 5,871,196	38.7%	$ 580,049	9.9%
Utility taxes	730,527	7.2%	668,603	4.4%	61,924	9.3%
Communication service taxes	241,464	2.4%	217,871	1.4%	23,593	10.8%
Franchise fees	550,636	5.5%	498,556	3.3%	52,080	10.4%
Licenses and permits	146,957	1.5%	4,806,615	31.6%	(4,659,658)	-96.9%
Intergovernmental	1,337,830	13.3%	1,347,640	8.9%	(9,810)	-0.7%
Charges for services	57,954	0.6%	590,445	3.9%	(532,491)	-90.2%
Fines and forfeitures	94,412	0.9%	458,429	3.0%	(364,017)	-79.4%
Investment income (loss)	250,585	2.5%	330,397	2.2%	(79,812)	-24.2%
Grants	56,100	0.6%	317,782	2.1%	(261,682)	-82.3%
Other revenues	164,921	1.6%	82,690	0.5%	82,231	99.4%
Total revenues	$ 10,082,631	100.0%	$ 15,190,224	100.0%	$ (5,107,593)	-33.6%

The amount of General Fund revenues by type, each revenue line presented as a percentage of total revenues and the amount of change compared to last fiscal year are shown in the following schedule:

- Property tax revenue collections were slightly higher compared to FY2024 primarily due to conditions in real estate market. The Town FY2025 millage rate remained at 3.1728, unchanged from FY2024.
- Utility tax revenues remitted from County and State were slightly higher compared to FY2024 due to higher consumption of utilities by residents
- Charges for services declined by 90.2% from FY2024 due to separating building code enforcement activity from the general fund.

- Investment earnings declined by $79,812, from $330,397 in FY2024 to $250,585 in FY2025 due to a decline in the market conditions.
- Grants declined by 82% compared to FY2024 due to non-recurring FEMA reimbursements for Hurricane Ian totaling $189,301 and Freebee totaling $100,392.
- Licenses and permits revenue decreased significantly compared to FY2024 because building related revenues were moved out of the General Fund and into the newly established Florida Building Code Enforcement Fund. In FY2024, the General Fund reported $4.8 million in licenses and permits, almost entirely attributable to building department activity. Beginning in FY2025, these revenues are no longer recorded in the General Fund, resulting in a substantial decline that reflects a structural reclassification, not a reduction in underlying building activity.

Expenditures in the General Fund are shown in the following schedule:

TABLE 4
TOWN OF BAY HARBOR ISLANDS, FLORIDA
Summary of General Fund Expenditures

	2025		2024		Increase/ (Decrease)	% of Increase/
	Amount	**% of Total**	**Amount**	**% of Total**	**2024**	**(Decrease)**
Expenditures:						
General government	$ 3,046,646	25.2%	$ 3,402,832	22.7%	$ (356,186)	-10.5%
Public safety	6,178,638	51.1%	7,235,497	48.2%	(1,056,859)	-14.6%
Transportation	1,126,929	9.3%	894,808	6.0%	232,121	25.9%
Culture and recreation	602,110	5.0%	1,560,617	10.4%	(958,507)	-61.4%
Capital outlay	288,438	2.4%	1,073,224	7.2%	(784,786)	-73.1%
Debt service	855,678	7.1%	836,892	5.6%	18,786	2.2%
Total expenditures	$ 12,098,439	100.0%	$ 15,003,870	100.0%	$ (2,905,431)	-19.4%

General Fund expenditures declined as a result of separating building code enforcement activity from the general fund. Culture and Recreation declined due to reduced spending on Town events and recreational activities. Public safety spending declined by 14.6% as a result of separating building code enforcement activity from the general fund. Debt service was consistent with prior year. Capital outlay within the general fund declined by 73.1% compared to the FY2024 due to reduced spending on equipment and software.

Governmental fund activity in FY2025 reflects several structural changes that affected the Town's major funds. General Fund expenditures declined significantly due to the creation of the Florida Building Code Enforcement Fund, which removed all building related revenues and expenditures from the General Fund beginning in FY2025. This reclassification explains the reductions in general government, public safety, and charges for services. Culture and recreation spending also decreased as the Town scaled back certain community events and recreational programming. Debt service remained consistent with the prior year, and capital outlay declined sharply due to lower equipment and software purchases compared to FY2024

The Building Fund, established in FY2025, experienced substantial growth in both revenues and fund balance. Licenses and permits, charges for services, and fines previously recorded in the General Fund are now reported in this fund, resulting in $6.08 million in revenues and a $3.95 million increase in fund balance. Expenditures reflect only protective inspection and code enforcement activity, which is now isolated within this fund. The large, restricted fund balance of $13.93 million represents resources legally restricted for building code enforcement under Florida Statutes.

The Capital Projects Fund reported a $552,283 decrease in fund balance, driven by planned capital spending on infrastructure and facility improvements. Capital outlay totaled $605,508, and debt service payments of $144,479 were made on outstanding bonds. Investment income increased due to higher interest rates, but no major capital grants were received in FY2025. The assigned fund balance of $10.8 million continues to represent resources set aside for future capital projects.

Activity in the nonmajor governmental funds was consistent with expectations. The Park Impact Fees Fund experienced reduced capital spending, the Police Forfeitures Fund remained stable with minimal activity, and the Youth Development Fund continued to rely on grant funding and transfers to support programming. The Youth Development Fund reported an unassigned deficit of $83,663, reflecting timing differences between grant expenditures and reimbursements.

General Fund Budgetary Highlights

For total General Fund revenues, there was a favorable budget variance of $285,251, driven primarily by higher than expected property tax collections resulting from growth in taxable assessed values and higher utility tax revenues tied to increased consumption. Several other revenue categories, including licenses and permits, charges for services, and investment income, also modestly exceeded projections.

General Fund expenditures were $454,022 below the final budget, as multiple departments did not fully utilize their appropriations. Savings were generated from lower personnel costs, reduced contractual service needs, and deferred operating and equipment purchases across General Government, Public Safety, and Transportation. Several planned initiatives were postponed to future periods, contributing to the favorable variance.

The Town's final expenditure budget increased by $392,224 compared to the original budget, reflecting supplemental appropriations approved by the Town Council during FY2025. These adjustments provided additional funding for General Government, Public Buildings, Public Safety, and Transportation to address mid year operational needs, including technology upgrades, professional services, and facility maintenance. Despite these increases, actual expenditures remained below budget due to conservative spending and timing differences in planned activities.

Proprietary Funds

Statements for the Town's proprietary funds provide the same type of information found in the business-type activities sections of the government-wide financial statements but in more detail. As noted above in the discussion of business-type activities, the Solid Waste Fund recorded a small operating loss but all of the Town's other major enterprise funds generated income before transfers.

For the proprietary funds as a whole, net position increased by $8,502,937.

Capital Assets and Debt Administration

Capital Assets

The Town of Bay Harbor Islands' investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to $66,174,112 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, furniture, fixtures and equipment, causeway system, toll collection system, water system, sewer system, as well as parking garage. Capital assets do not include governmental infrastructure assets prior to 2004, as GASB 34 did not require Phase III governments to report infrastructure retroactively. The Town's net investment in capital assets for the current fiscal year increased by $383,071 from the prior year.

Additions to capital assets for governmental activities before depreciation/amortization and net of transfers from construction in progress were $849,878, disposals were $127,568, for net additions of $722,310.

Business-type activities' capital asset additions before depreciation and amortization, and net of transfers from construction in progress totaled $1,349,209, disposals were $0, for net additions of $1,349,209.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Capital assets, net of depreciation						
Land	$ 3,806,254	$ 3,806,254	$ 671,273	$ 671,273	$ 4,477,527	$ 4,477,527
Construction in progress	994,724	1,181,108	6,309,320	5,598,622	7,304,044	6,779,730
Buildings	1,664,590	1,721,619	-	-	1,664,590	1,721,619
Improvements other than buildings	13,278,865	13,325,389	25,915,579	27,133,248	39,194,444	40,458,637
Furniture, fixtures, and equipme	512,950	699,325	756,968	858,696	1,269,918	1,558,021
Leases (right-of-use asset)	788,628	927,330	47,189	69,726	835,817	997,056
Subscription asset	299,074	445,989	-	-	299,074	445,989
Toll collection system	-	-	340,884	54	340,884	54
Sewer system	-	-	2,978,072	3,080,917	2,978,072	3,080,917
Water system	-	-	852,266	886,716	852,266	886,716
Parking garage	-	-	6,957,476	7,159,631	6,957,476	7,159,631
Total	$ 21,345,085	$ 22,107,014	$ 44,829,027	$ 45,458,883	$ 66,174,112	$ 67,565,897

Additional information on the Town's capital assets can be found in note 6 on pages 45-46 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town of Bay Harbor Islands had long-term debt outstanding of $10,774,472.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Refunding Note, Series 2012	$ 1,109,000	$ 1,463,000	$ -	$ -	$ 1,109,000	$ 1,463,000
Revenue Bonds, Series 2016	3,077,627	3,095,455	-	-	3,077,627	3,095,455
Causeway Promissory Note, 201:	-	-	4,213,000	5,202,000	4,213,000	5,202,000
Parking Refunding Note, 2012	-	-	1,270,000	1,270,000	1,270,000	1,270,000
Leases (right-of-use asset)	800,485	928,235	47,009	66,900	847,494	995,135
Subscription liability	257,351	390,323	-	-	257,351	390,323
Total	$ 5,244,463	$ 5,877,013	$ 5,530,009	$ 6,538,900	$ 10,774,472	$ 12,415,913

The Town of Bay Harbor Islands' total debt decreased by $1,641,441 primarily as a result of scheduled repayments. Additional information on the Town's long-term debt can be found in note 7 on pages 46-49 of this report.

Economic Factors and Next Year's Budgets and Rates

The following are major considerations included in the preparation of the Town of Bay Harbor Islands' budget for the FY2026 fiscal year.

- The Town's millage was increased to 3.4583 in FY2026. The Town's gross taxable property values increased by 12.8% to $2,346,469,213 over the prior year, inclusive of new construction.

- Water charges that are based upon water usage had a rate increase of 13.6% in FY2025 due to a pass-through increase from Miami-Dade County. Sewer rates were not changed in FY2025.

Requests for Information

This financial report is designed to provide a general overview of the Town of Bay Harbor Islands' finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town Manager, Town of Bay Harbor Islands, 1030 95th Street, Trailer 5, Bay Harbor Islands, Florida 33154.

BASIC FINANCIAL STATEMENT

TOWN OF BAY HARBOR ISLANDS, FLORIDA

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 21,083,479	$ 18,383,158	$ 39,466,637
Investments	3,305,886	24,033,008	27,338,894
Receivables:			
Accounts, net	376,482	421,959	798,441
Interest	28,440	36,727	65,167
Leases	-	7,250,176	7,250,176
Internal balances	3,794,218	(3,794,218)	-
Due from other governments	228,627	831,133	1,059,760
Inventory	38,362	46,114	84,476
Prepaid items	372,692	-	372,692
Net pension asset	664,151	429,616	1,093,767
Restricted cash	48,805	892,664	941,469
Nondepreciable capital assets	4,800,978	6,980,593	11,781,571
Depreciable capital assets, net	16,544,107	37,848,434	54,392,541
Total assets	51,286,227	93,359,364	144,645,591
Deferred Outflows of Resources:			
OPEB related	7,635	4,241	11,876
Pension related	1,419,373	918,146	2,337,519
Total deferred outflows of resources	1,427,008	922,387	2,349,395
Liabilities:			
Accounts payable and accrued liabilities	1,571,067	172,592	1,743,659
Due to other governments	-	245,603	245,603
Customer deposits	159,948	473,295	633,243
Unearned revenues	106,548	271,011	377,559
Long-term liabilities:			
Due within one year:			
Lease liability	301,610	13,344	314,954
Bonds payable	372,000	1,428,000	1,800,000
Subscription liability	101,441	-	101,441
Compensated absences	138,310	64,414	202,724
Due in more than one year:			
Lease liability	498,875	33,665	532,540
Bonds payable, net	3,814,627	4,055,000	7,869,627
Total OPEB liability	167,388	92,964	260,352
Subscription liability	155,910	-	155,910
Compensated absences	1,244,793	579,712	1,824,505
Total liabilities	8,632,517	7,429,600	16,062,117
Deferred Inflows of Resources:			
Parking trust receipts	-	84,604	84,604
Deferred gain on bond refunding	35,463	-	35,463
OPEB related	17,325	9,623	26,948
Pension related	531,217	343,628	874,845
Lease related	-	6,858,392	6,858,392
Total deferred inflows of resources	584,005	7,296,247	7,880,252
Net Position:			
Net investment in capital assets	16,065,159	39,299,018	55,364,177
Restricted for:			
Florida building code enforcement	13,930,073	-	13,930,073
Law enforcement	8,893	-	8,893
Park impact	1,395,022	-	1,395,022
Debt service	64,325	-	64,325
Net pension asset	664,151	429,616	1,093,767
Unrestricted	11,369,090	39,827,270	51,196,360
Total net position	$ 43,496,713	$ 79,555,904	$ 123,052,617

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

		Program Revenues			Net Revenue and (Expense) Changes in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 3,292,273	$ 760,525	$ 6,000	$ -	$ (2,525,748)	$ -	$ (2,525,748)
Public safety	9,365,977	6,088,226	-	-	(3,277,751)	-	(3,277,751)
Transportation	1,613,319	-	60,557	-	(1,552,762)	-	(1,552,762)
Culture and recreation	1,820,274	31,138	380,519	-	(1,408,617)	-	(1,408,617)
Interest	162,533	-	-	-	(162,533)	-	(162,533)
Total governmental activities	16,254,376	6,879,889	447,076	-	(8,927,411)	-	(8,927,411)
Business-type activities:							
Causeway	5,752,455	12,768,105	-	90,383	-	7,106,033	7,106,033
Sewer	2,274,243	2,581,969	-	63,375	-	371,101	371,101
Water	1,680,850	1,561,710	-	-	-	(119,140)	(119,140)
Parking	1,172,304	1,526,486	-	-	-	354,182	354,182
Solid waste	1,098,066	1,009,629	-	-	-	(88,437)	(88,437)
Stormwater	493,753	607,350	108,887	23,246	-	245,730	245,730
Total business-type activities	12,471,671	20,055,249	108,887	177,004	-	7,869,469	7,869,469
Total primary government	$ 28,726,047	$ 26,935,138	$ 555,963	$ 177,004	(8,927,411)	7,869,469	(1,057,942)
General revenues:							
Taxes:							
Property taxes					6,451,245	-	6,451,245
Franchise fees					550,636	-	550,636
Utility taxes					730,527	-	730,527
Communication services tax					241,464	-	241,464
Impact fees					30,882	36,905	67,787
Unrestricted intergovernmental revenue					1,264,453	-	1,264,453
Unrestricted investment income					555,130	1,524,631	2,079,761
Miscellaneous					239,327	411,932	651,259
Net Transfers					1,340,000	(1,340,000)	-
Total general revenues and transfers					11,403,664	633,468	12,037,132
Change in net position					2,476,253	8,502,937	10,979,190
Net position, beginning of year					41,628,782	71,222,201	112,850,983
Restatement - change in accounting principle (see note 12)					(608,322)	(169,234)	(777,556)
Net position, beginning as restated					41,020,460	71,052,967	112,073,427
Net position, end of year					$ 43,496,713	$ 79,555,904	$ 123,052,617

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	Building Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	$ 8,822,907	$ -	$ 10,997,806	$ 1,262,766	$ 21,083,479
Investments	3,305,886	-	-	-	3,305,886
Receivables:					
Accounts, net	376,482	-	-	-	376,482
Interest	28,440	-	-	-	28,440
Due from other governments	228,627	-	-	-	228,627
Inventory	38,362	-	-	-	38,362
Prepaid items	372,692	-	-	-	372,692
Due from other funds	4,292,476	14,084,261	168,111	142,088	18,686,936
Restricted cash	48,805	-	-	-	48,805
Total assets	$ 17,514,677	$ 14,084,261	$ 11,165,917	$ 1,404,854	$ 44,169,709
Liabilities:					
Accounts payable and accrued liabilities	$ 1,447,917	$ 27,418	$ 23,283	$ 10,398	$ 1,509,016
Due to other funds	14,482,761	-	335,753	74,204	14,892,718
Customer Deposits	33,178	126,770	-	-	159,948
Unearned revenue	106,548	-	-	-	106,548
Total liabilities	16,070,404	154,188	359,036	84,602	16,668,230
Deferred Inflows of Resources:					
Unavailable revenues	39,402	-	-	-	39,402
Total deferred inflows of resources	39,402	-	-	-	39,402
Fund Balances:					
Non-spendable:					
Inventory	38,362	-	-	-	38,362
Prepaid	372,692	-	-	-	372,692
Restricted for:					
Florida building code enforcement	-	13,930,073	-	-	13,930,073
Law enforcement	-	-	-	8,893	8,893
Park improvements	-	-	-	1,395,022	1,395,022
Debt service	64,325	-	-	-	64,325
Assigned to:					
Capital projects	-	-	10,806,881	-	10,806,881
Unassigned	929,492	-	-	(83,663)	845,829
Total fund balances	1,404,871	13,930,073	10,806,881	1,320,252	27,462,077
Total liabilities, deferred inflows of resources and fund balances	$ 17,514,677	$ 14,084,261	$ 11,165,917	$ 1,404,854	$ 44,169,709

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Fund Balance - Total Governmental Funds		$ 27,462,077
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The statement of net position includes those capital assets, net of any accumulated depreciation, in the net position of the government as a whole.		
Cost of capital assets	38,716,628	
Accumulated depreciation	(17,371,543)	21,345,085
Net deferred outflows (inflows) of resources for pension and OPEB which are not recognized under the modified accrual basis of accounting		878,466
Liabilities not due and payable from current available resources are not reported as liabilities in the governmental fund statements. All liabilities, both current and long-term are reported in the government-wide financial statements.		
Bonds payable, net	(4,186,627)	
Net pension asset	664,151	
Total other post-employment benefits liability	(167,388)	
Compensated absences	(1,383,103)	
Deferred gain on refunding	(35,463)	
Leases liability	(800,485)	
Subscription liability	(257,351)	
Accrued interest	(62,051)	
		(6,228,317)
Certain revenues are considered deferred inflows of resources in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues.		39,402
Net Position of Governmental Activities		$ 43,496,713

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Building Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 6,451,245	$ -	$ -	$ -	$ 6,451,245
Utility taxes	730,527	-	-	-	730,527
Communication service taxes	241,464	-	-	-	241,464
Franchise fees	550,636	-	-	-	550,636
Licenses and permits	146,957	5,431,641	-	-	5,578,598
Intergovernmental	1,337,830	-	-	-	1,337,830
Impact fees	-	-	-	30,882	30,882
Charges for services	57,954	501,837	-	-	559,791
Fines and forfeitures	94,412	140,064	-	-	234,476
Investment income	250,585	-	304,545	-	555,130
Grants	56,100	-	-	380,519	436,619
Other revenues	164,921	6,976	-	34,800	206,697
Total revenues	10,082,631	6,080,518	304,545	446,201	16,913,895
Expenditures:					
Current:					
General government	3,046,646	-	183,577	-	3,230,223
Public safety	6,178,638	1,619,842	-	939	7,799,419
Transportation	1,126,929	-	-	-	1,126,929
Culture and recreation	602,110	-	-	810,228	1,412,338
Capital outlay	288,438	-	605,508	132,415	1,026,361
Debt service:					
Principal	672,758	-	129,569	-	802,327
Interest	182,920	-	14,910	-	197,830
Total expenditures	12,098,439	1,619,842	933,564	943,582	15,595,427
Excess (deficiency) of revenues over (under) expenditures	(2,015,808)	4,460,676	(629,019)	(497,381)	1,318,468
Other Financing Sources (Uses):					
Leases issued	100,869	-	76,736	-	177,605
Transfers in	1,852,461	-	-	315,111	2,167,572
Transfers out	(315,111)	(512,461)	-	-	(827,572)
Total other financing sources (uses)	1,638,219	(512,461)	76,736	315,111	1,517,605
Net changes in fund balances	(377,589)	3,948,215	(552,283)	(182,270)	2,836,073
Fund Balances, Beginning of Year, as Previously Reported	11,764,318	-	11,359,164	1,502,522	24,626,004
Restatement - Correction of Error	(9,981,858)	9,981,858	-	-	-
Fund Balances, Beginning of Year, as Adjusted	1,782,460	9,981,858	11,359,164	1,502,522	24,626,004
Fund Balances, End of Year	$ 1,404,871	$ 13,930,073	$ 10,806,881	$ 1,320,252	$ 27,462,077

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Changes in Fund Balances - Total Governmental Funds		$ 2,836,073
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Capital outlay	1,026,361	
Depreciation/amortization expense	(1,600,776)	(574,415)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.		
Capital outlay not capitalized	(176,483)	
Loss on disposal	(11,031)	(187,514)
Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
The details of the difference are as follows:		
Leases issued	(177,605)	
Leases principal payments	305,355	
Subscription arrangements principal payments	132,972	
Revenue bonds principal payment	364,000	
Amortization of gain on bond refunding	4,433	
Amortization of bond premium	7,828	636,983
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
The details of the difference are as follows:		
Accrued interest payable	2,510	
Compensated absences payable	130,062	
Net pension asset	2,583,367	
Total OPEB liability	18,826	2,734,765
Certain changes related to pension assets and OPEB are not reported in the net change in the governmental funds.		
Pension related deferred outflows and inflows of resources	(2,960,118)	
OPEB related deferred outflows and inflows of resources	(10,152)	(2,970,270)
Net effect of revenues reported in the statement of activities are not reported in the funds because they have no effect on current financial resources.		631
Change in Net Position of Governmental Activities		$ 2,476,253

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Solid Waste Fund	Stormwater Fund	Total
Assets:							
Current assets:							
Cash and cash equivalents	$ 7,207,241	$ 3,586,810	$ 1,639,257	$ 3,004,218	$ 1,642,633	$ 1,302,999	$ 18,383,158
Investments	22,045,116	-	1,987,892	-	-		24,033,008
Receivables, net:							
Customer/other	-	-	340,599	81,360	-	-	421,959
Interest	16,300	-	17,183	3,244	-	-	36,727
Lease	37,055	-	-	-	-	-	37,055
Due from other funds	18,799	228,597	3,934	426,118	89,587	319,391	1,086,426
Due from other governments	559,551	63,375	-	-	-	208,207	831,133
Inventory and prepaid items	-	-	46,114	-	-	-	46,114
Restricted cash	10,674	332,221	476,115	-	73,654	-	892,664
Total current assets	29,894,736	4,211,003	4,511,094	3,514,940	1,805,874	1,830,597	45,768,244
Noncurrent assets:							
Lease receivable	-	-	-	7,213,121	-	-	7,213,121
Net pension asset	284,495	43,839	43,015	36,776	9,263	12,228	429,616
Capital assets not being depreciated	6,137,880	72,120	-	671,273	-	99,320	6,980,593
Capital assets being depreciated, net	25,550,659	3,712,774	883,115	6,997,275	-	704,611	37,848,434
Total noncurrent assets	31,973,034	3,828,733	926,130	14,918,445	9,263	816,159	52,471,764
Total assets	61,867,770	8,039,736	5,437,224	18,433,385	1,815,137	2,646,756	98,240,008
Deferred Outflows of Resources:							
OPEB related	2,299	621	489	565	153	114	4,241
Pension related	608,002	93,690	91,929	78,596	19,796	26,133	918,146
Total deferred outflows of resources	610,301	94,311	92,418	79,161	19,949	26,247	922,387
Liabilities:							
Current liabilities:							
Accounts payable and accrued liabilities	133,712	12,486	9,602	10,195	3,409	3,188	172,592
Due to other funds	2,076,754	1,152,385	1,004,567	6,291	535,013	105,634	4,880,644
Due to other governments	-	-	245,603	-	-	-	245,603
Unearned revenue	271,011	-	-	-	-	-	271,011
Customer deposits	10,674	228,063	160,904	-	73,654	-	473,295
Lease liability	-	9,610	-	3,734	-	-	13,344
Bonds payable	1,014,000	-	-	414,000	-	-	1,428,000
Compensated absences	39,201	7,424	6,357	6,140	2,272	3,020	64,414
Total current liabilities	3,545,352	1,409,968	1,427,033	440,360	614,348	111,842	7,548,903

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	**Sewer Fund**	**Water Fund**	**Parking Fund**	**Solid Waste Fund**	**Stormwater Fund**	**Total**
Noncurrent liabilities:							
Lease liability	-	33,665	-	-	-	-	33,665
Bonds payable	3,199,000	-	-	856,000	-	-	4,055,000
Total OPEB liability	50,390	13,606	10,724	12,388	3,358	2,498	92,964
Compensated absences	352,805	66,814	57,220	55,266	20,442	27,165	579,712
Total noncurrent liabilities	3,602,195	114,085	67,944	923,654	23,800	29,663	4,761,341
Total liabilities	7,147,547	1,524,053	1,494,977	1,364,014	638,148	141,505	12,310,244
Deferred Inflows of Resources:							
Parking trust receipts	-	-	-	84,604	-	-	84,604
OPEB related	5,216	1,408	1,110	1,282	348	259	9,623
Pension related	227,552	35,065	34,406	29,415	7,409	9,781	343,628
Lease related	36,537	-	-	6,821,855	-	-	6,858,392
Total deferred inflows of resources	269,305	36,473	35,516	6,937,156	7,757	10,040	7,296,247
Net Position:							
Net investment in capital assets	27,475,539	3,741,619	883,115	6,394,814	-	803,931	39,299,018
Restricted for:							
Net pension asset	284,495	43,839	43,015	36,776	9,263	12,228	429,616
Unrestricted	27,301,185	2,788,063	3,073,019	3,779,786	1,179,918	1,705,299	39,827,270
Total net position	$ 55,061,219	$ 6,573,521	$ 3,999,149	$ 10,211,376	$ 1,189,181	$ 2,521,458	$ 79,555,904

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Solid Waste Fund	Stormwater Fund	Total
Operating Revenues:							
Charges for services	$ 12,768,105	$ 2,581,969	$ 1,561,710	$ 1,526,486	$ 1,009,629	$ 607,350	$ 20,055,249
Miscellaneous	12,016	-	24,726	270	-	11,584	48,596
Total operating revenues	12,780,121	2,581,969	1,586,436	1,526,756	1,009,629	618,934	20,103,845
Operating Expenses:							
Administrative	1,512,046	1,285,059	251,446	422,650	983,062	275,787	4,730,050
Personnel service	2,635,811	589,842	496,550	484,759	115,004	159,316	4,481,282
Other operating expenses	102,491	135,081	868,122	17,806	-	17,346	1,140,846
Depreciation	1,394,981	259,007	64,732	219,041	-	41,304	1,979,065
Total operating expenses	5,645,329	2,268,989	1,680,850	1,144,256	1,098,066	493,753	12,331,243
Operating income (loss)	7,134,792	312,980	(94,414)	382,500	(88,437)	125,181	7,772,602
Nonoperating Revenues (Expenses):							
Contributions	-	-	-	-	-	108,887	108,887
Impact fees	-	-	36,905	-	-	-	36,905
Investment income	1,150,457	73,613	150,719	74,623	53,156	22,063	1,524,631
Rental income	104,564	-	-	113,747	-	-	218,311
Lease interest income	-	-	-	145,025	-	-	145,025
Interest expense and other debt costs	(107,126)	(5,254)	-	(28,048)	-	-	(140,428)
Total nonoperating revenues (expenses)	1,147,895	68,359	187,624	305,347	53,156	130,950	1,893,331
Income (loss) before transfers	8,282,687	381,339	93,210	687,847	(35,281)	256,131	9,665,933
Transfers and Capital Contributions:							
Grants	90,383	63,375	-	-	-	23,246	177,004
Transfers out	(800,000)	(300,000)	(240,000)	-	-	-	(1,340,000)
Total transfers	(709,617)	(236,625)	(240,000)	-	-	23,246	(1,162,996)
Change in net position	7,573,070	144,714	(146,790)	687,847	(35,281)	279,377	8,502,937
Net Position, Beginning as previously reported	47,596,739	6,446,122	4,162,152	9,536,591	1,233,053	2,247,544	71,222,201
Restatement - change in accounting principle (see note 12)	(108,590)	(17,315)	(16,213)	(13,062)	(8,591)	(5,463)	(169,234)
Net Position, Beginning as restated	47,488,149	6,428,807	4,145,939	9,523,529	1,224,462	2,242,081	71,052,967
Net Position, Ending	$ 55,061,219	$ 6,573,521	$ 3,999,149	$ 10,211,376	$ 1,189,181	$ 2,521,458	$ 79,555,904

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Solid Waste Fund	Stormwater Fund	Total
Cash Flows from Operating Activities:							
Cash received from customers and users	$ 12,816,773	$ 2,581,454	$ 2,220,507	$ 1,403,315	$ 1,009,645	$ 618,934	$ 20,650,628
Cash payments to suppliers	(1,778,594)	(419,260)	(59,566)	(1,294,288)	(1,222,452)	(568,342)	(5,342,502)
Cash payments to employees	(2,717,468)	(562,059)	(490,841)	(466,955)	(136,423)	(138,048)	(4,511,794)
Net cash provided by (used in) operating activities	8,320,711	1,600,135	1,670,100	(357,928)	(349,230)	(87,456)	10,796,332
Cash Flows from Noncapital Financing Activities:							
Operating grants	-	-	-	-	-	108,887	108,887
Impact Fees	-	-	36,905	-	-	-	36,905
Transfers to other funds	(800,000)	(300,000)	(240,000)	-	-	-	(1,340,000)
Net cash used in noncapital financing activities	(800,000)	(300,000)	(203,095)	-	-	108,887	(1,194,208)
Cash Flows from Capital and Related Financing Activities:							
Grants	90,383	63,375	-	-	-	23,246	177,004
Acquisition and construction of capital assets, net	(1,189,209)	(142,195)	-	-	-	(17,805)	(1,349,209)
Principal paid on leases	(6,324)	(8,619)	-	(4,948)	-	-	(19,891)
Principal paid on long-term debt	(989,000)	-	-	-	-	-	(989,000)
Interest paid on long-term debt	(107,126)	(5,254)	-	(28,048)	-	-	(140,428)
Net cash provided by (used in) capital and related financing activities	(2,201,276)	(92,693)	-	(32,996)	-	5,441	(2,321,524)

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	**Sewer Fund**	**Water Fund**	**Parking Fund**	**Solid Waste Fund**	**Stormwater Fund**	**Total**
Cash Flows from Investing Activities:							
Purchases of investments	(935,141)	-	(50,545)	-	-	-	(985,686)
Rental income received	104,564	-	-	258,772	-	-	363,336
Investment earnings and interest received	1,150,457	73,613	150,719	74,623	53,156	22,063	1,524,631
Net cash provided by investing activities	319,880	73,613	100,174	333,395	53,156	22,063	902,281
Net increase (decrease) in cash, cash equivalents and restricted cash	5,639,315	1,281,055	1,567,179	(57,529)	(296,074)	48,935	8,182,881
Cash, Cash Equivalents and Restricted Cash at Beginning of Year	1,578,600	2,637,976	548,193	3,061,747	2,012,361	1,254,064	11,092,941
Cash, Cash Equivalents and Restricted Cash at End of Year	$ 7,217,915	$ 3,919,031	$ 2,115,372	$ 3,004,218	$ 1,716,287	$ 1,302,999	$ 19,275,822
Reconciliation to Statement of Net Position:							
Cash and cash equivalents	$ 7,207,241	$ 3,586,810	$ 1,639,257	$ 3,004,218	$ 1,642,633	$ 1,302,999	$ 18,383,158
Restricted cash	10,674	332,221	476,115	-	73,654	-	892,664
	$ 7,217,915	$ 3,919,031	$ 2,115,372	$ 3,004,218	$ 1,716,287	$ 1,302,999	$ 19,275,822

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Solid Waste Fund	Stormwater Fund	Total
Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities:							
Operating income (loss)	$ 7,134,792	$ 312,980	$ (94,414)	$ 382,500	$ (88,437)	$ 125,181	$ 7,772,602
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Provision for depreciation	1,394,981	259,007	64,732	219,041	-	41,304	1,979,065
(Increase) decrease in:							
Receivables, net	-	-	(340,599)	24,520	-	-	(316,079)
Lease receivable	44,394	-	979,349	(616,441)	-	-	407,302
Interest receivable	(2,930)	-	(2,900)	2,306	-	-	(3,524)
Due from other fund	(6,291)	31,256	315,296	(412,860)	26,349	70,945	24,695
Due from other government	(125,461)	(63,375)	-	(449,658)	-	(132,133)	(770,627)
Inventory	-	-	4,603	-	-	-	4,603
Net pension asset	(284,495)	(43,839)	(43,015)	(36,776)	(9,263)	(12,228)	(429,616)
Deferred outflows related to OPEB	1,434	154	100,820	26	(153)	167	102,448
Deferred outflows related to pensions	446,132	125,245	194	88,342	(19,796)	53,211	693,328
Increase (decrease) in:							
Accounts payable and accrued liabilities	(651,960)	2,646	402	2,395	1,202	(4,611)	(649,926)
Customer Deposits	-	(515)	(1,779)	-	16	-	(2,278)
Parking Trust Receipt	-	-	-	(26,826)	-	-	(26,826)

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	MAJOR ENTERPRISE FUNDS					NON-MAJOR FUND	
	Causeway Fund	**Sewer Fund**	**Water Fund**	**Parking Fund**	**Solid Waste Fund**	**Stormwater Fund**	**Total**
Reconciliation of Operating Income to Net Cash Provided by (used in) Operating Activities (continued):							
Due to other funds	619,655	1,030,353	491,805	6,291	(266,941)	(209,410)	1,671,753
Due to other governmental agencies	-	-	247,896	-	-	-	247,896
Unearned revenue	37,447	-	-	-	-	-	37,447
Compensated absences	57,192	17,661	8,452	15,784	(3,322)	11,619	107,386
Net pension liability	(520,500)	(108,104)	(95,174)	(82,429)	-	(39,178)	(845,385)
OPEB obligation	(112)	3,117	1,490	4,390	3,358	(1,303)	10,940
Deferred inflows related to OPEB	1,607	658	450	710	348	(13)	3,760
Deferred inflows related to pensions	217,085	32,891	32,492	27,757	7,409	8,993	326,627
Deferred inflows related to leases	(42,259)	-	-	493,000	-	-	450,741
Total adjustments	1,185,919	1,287,155	1,764,514	(740,428)	(260,793)	(212,637)	3,023,730
Net cash provided by (used in) operating activities	$ 8,320,711	$ 1,600,135	$ 1,670,100	$ (357,928)	$ (349,230)	$ (87,456)	$ 10,796,332

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUND
SEPTEMBER 30, 2025

Assets:		
Cash and cash equivalents	$	1,325,287
Investments:		
Money market funds		212,878
Investment trust fund		24,241,385
Real estate funds		4,252,647
Total investments		28,706,910
Other assets:		
Prepaid expenses		5,292
Total assets		30,037,489
Liabilities:		
Accounts payable		34,108
Total liabilities		34,108
Net Position:		
Net position restricted for pension benefits	$	30,003,381

The notes to the financial statements are an integral part of these statements.

TOWN OF BAY HARBOR ISLANDS, FLORIDA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Additions:		
Contributions:		
Town (including State)	$	1,787,236
Employees		445,045
Total contributions		2,232,281
Investment income:		
Net appreciation in fair value of investments		895,541
Interest		280,994
Total investment income		1,176,535
Less: Investment expenses		(117,751)
Net investment income		1,058,784
Total additions		3,291,065
Deductions:		
Benefits paid, including refunds of member contributions		1,309,618
Administrative expenses		26,445
Total deductions		1,336,063
Net increase in net position		1,955,002
Net Position - Beginning		28,048,379
Net Position - Ending	$	30,003,381

The notes to the financial statements are an integral part of these statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Bay Harbor Islands, Florida, (the Town) is a municipal corporation which was incorporated in 1947 and adopted its first charter June 15, 1953, under the provisions of the Laws of Florida Acts of 1953, Chapter 2889. The Town operates under a "Council - Manager" form of government with the Town's Mayor serving as the head of the Town government and the Town's Manager serving as the chief administrative official.

The Town provides the following services: public safety (police), building and zoning, transportation and maintenance of roads and streets, recreation facilities, operation and maintenance of a causeway, water and sewer utilities, physical environment (refuse collection), parking facilities, and general government and administrative services. Fire protection, education, and welfare services are provided by units of other local governments whose activities are not included in the accompanying financial statements.

The financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Town's accounting policies are described below:

A. Financial Reporting Entity

The financial statements were prepared in accordance with GASB Statements related to The Financial Reporting Entity, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with a basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Town, organizations for which the Town is financially accountable, and other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town is financially accountable for a component unit if it appoints a voting majority of the organization's governing board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the Town or has operational responsibility. The Town reports the Town of Bay Harbor Islands Employees' Retirement System as a fiduciary component unit. The pension trust fund is further discussed in Note 9.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. All fiduciary activities are reported in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The Town reports three (3) nonmajor governmental funds (the Park Impact Fees Fund, Police Forfeitures Fund and Youth Development Fund) and one nonmajor proprietary fund (the Stormwater Fund).

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when an enforceable lien exists and when levied for. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they are earned and as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days for property taxes and 90 days for remaining revenue streams as of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, OPEB liabilities, and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees and other taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred and the amounts are received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* accounts for the acquisition or construction of various major capital projects.

The *Building Fund,* a special revenue fund, accounts for enforcement, review, and inspection of permitted activity ensuring compliance with the Florida Building Code, State Statutes, and local ordinances.

The Town reports the following major proprietary funds:

The *Causeway Fund* accounts for the collection of tolls and the operation and maintenance of the causeway, including the bascule bridge over the Intercoastal Waterway and the entire traffic corridor.

The *Sewer Fund* accounts for the provision of sewer services to Town residents and businesses.

The *Parking Fund* accounts for the collection of parking fees, parking trust arrangements, and the operation and maintenance of lots and meters.

The *Solid Waste Fund* accounts for the provision of solid waste disposal services to Town residents and businesses.

The *Water Fund* accounts for the distribution of water to Town residents and businesses.

The Town reports the following nonmajor proprietary fund:

The *Stormwater Fund* accounts for the provision of a stormwater management system.

Additionally, the Town reports the following fund types:

The Town's special revenue funds are used to account for the restricted proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. These funds include the *Park Impact Fees Fund, Police Forfeitures Fund,* and *Youth Development Fund.*

The *Pension Trust Fund* is used to account for the Town of Bay Harbor Islands Employee Retirement System (the Plan), a single-employer defined benefit pension plan covering substantially all of its employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town's various utility functions and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's funds are charges to customers for services. Operating expenses for enterprise funds include the costs of services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Implementation of GASB Statements

The GASB has issued new Statements effective in the current year and future years that may apply to the Town. Management has not completed its analysis of the effects, if any, of the GASB statements which become effective in future years of the financials statements of the Town:

GASB Statement No. 101, *Compensated Absences*, the objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for the Town for the fiscal year ending September 30, 2025. The Town reported an adjustment to its governmental and business-type activities opening net position as a result of the adoption, see Note 12.

GASB Statement No. 102, *Certain Risk Disclosures*, the primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for the Town for the fiscal year ending September 30, 2025. There was no material impact from the adoption of GASB 102.

GASB Statement No. 103, Financial Reporting Model Improvement. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement will be effective for the Town for the fiscal year ending September 30, 2026.

GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement will be effective for the Town for the fiscal year ending September 30, 2026.

GASB Statement No. 105, Subsequent Events. The objective of this Statement is to improve financial reporting by establishing consistent guidance for identifying, evaluating, and disclosing subsequent events that occur after the financial statement date but before the financial statements are available to be issued. This Statement clarifies the definition of subsequent events, distinguishes between events that should be recognized in the financial statements and those that require disclosure only, and requires disclosure of the date through which subsequent events have been evaluated. This Statement will be effective for the Town for the fiscal year ending September 30, 2027.

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance

Deposits and Investments

Cash and cash equivalents are defined as demand deposits, money market accounts and other short-term investments with original maturities of three months or less from the date of acquisition. Investments of the Town are carried at fair value. For more details regarding the methods used to measure fair value of investments, refer to the fair value hierarchy in Note 3.

Investments of the Town are governed by the provisions of Florida Statutes Section 218.415. Investments in the Town's retirement plan are governed by the Plan's investment policy and Florida Statutes Section 112.661.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables

The Town recognizes receivables in its various funds based on the accounting basis required for that fund. Allowances are provided for possible uncollectible accounts.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. Inventories for governmental and proprietary fund types are accounted for using the consumption method, wherein all inventories are maintained by perpetual records, expensed when used and adjusted by an annual physical count. These amounts are reported as nonspendable fund balance in the governmental fund financial statements.

Capital Assets

Capital assets, which include property, plant and equipment, infrastructure assets (e.g., utility plant, roads, bridges, sidewalks, and similar items), leases (right-of-use assets), subscription arrangements (i.e. information technology) and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The Town has not retroactively reported infrastructure assets acquired prior to the implementation of GASB Statement No. 34. The Town did not retroactively record their intangible assets with the implementation of GASB Statement No. 51, with the exception of computer software which was capitalized when purchased. The Town's capitalization threshold for intangible assets is $25,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	25-50
Improvements other than buildings	5-10
Furniture, fixtures, and equipment	5
Utility system	10-50

Leases (Right-of-use Asset)

The leases (right-of-use asset) are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The leases (right-of-use asset) are amortized on a straight-line basis over the life of the related lease agreement.

Subscription-Based Information Technology Arrangement ("SBITA")

The SBITA assets are initially measured at an amount equal to the initial measurement of the related SBITA liability plus any SBITA payments made prior to the subscription term, less SBITA incentives, plus any ancillary charges necessary to place the SBITA into service. The SBITA assets are amortized on a straight-line basis over the life of the related contract.

Leases Receivable

The Town's leases receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

Prepaids are recorded as assets when the initial payment is made. Each asset is then charged off against operations in the period benefited. These amounts are reported as nonspendable fund balance in the governmental fund financial statements. These costs are accounted for under the consumption method.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Upon separation from service, employees are paid the value of their accumulated vacation, plus one half the value of unused sick leave up to 90 days. All vacation and sick leave pay are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Compensated absences of governmental funds are typically liquidated from the general fund.

Long-Term Obligations

In the government-wide financial statements, and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issue costs are expensed as incurred. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight- line amortization method. The results of using this method do not differ significantly from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as an other financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has two items that qualify for reporting in this category. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town has five items that qualify for reporting in this category. The first item is the Town's deferred inflows of resources related to leases and is discussed in further detail in Note 3. The second item is unavailable revenue which is reported only in the business-type funds balance sheet. The business-type funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The third item is the deferred inflows relating to the gain on bond refunding and discussed in further detail in Note 7. The fourth item is the deferred inflows relating to the pension plans and discussed in further detail in Note 9. The fifth item is the deferred inflows relating to the other post-employment benefits (OPEB) and discussed in further detail in Note 10.

Fund Balance

The Town reports the following classifications:

Nonspendable fund balance. Nonspendable fund balances are amounts that are (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted fund balance. Restricted fund balances are amounts that can be spent only for specific purposes stipulated by (a) external resource providers such as creditors (by debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed fund balance. These amounts can only be used for the specific purposes determined by a formal action (Ordinance) of the Town Council, the Town's highest level of decision making authority. Commitments may be changed or lifted only by the Town Council taking the same formal action (Ordinance) that imposed the constraint originally. Resources accumulated pursuant to stabilization arrangements sometimes are reported in this category. There were no committed amounts as of September 30, 2025.

Assigned fund balance. Assigned fund balances are amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is established by the Town Manager to which the Town Council has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. This balance includes (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose as assigned by management.

Specific amounts that are not restricted or committed in the Capital Projects Fund are assigned for the purposes in accordance with the nature of its fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the fund itself.

Unassigned fund balance. This fund balance is the residual classification only for the General Fund. It is also used to report only negative fund balances in other governmental funds.

Net Position

Net position of the government-wide and proprietary funds is categorized as net investment in capital assets; restricted or unrestricted. Net investment in capital assets is that portion of net position that relates to the Town's capital assets reduced by accumulated depreciation and amortization and by any outstanding debt and deferred inflows or outflows, incurred to acquire, construct or improve those assets, excluding unexpended proceeds.

Restricted net position is that portion of net position that has been restricted for general use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Flow Assumptions

<u>Net Position Flow Assumption</u>
Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

<u>Fund Balance Flow Assumption</u>
Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets/deferred outflows and liabilities/deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures/expenses during the reporting period. These estimates include assessing the collectability of receivables, the fair value of investments, and useful lives and possible impairment of tangible assets, among others. Estimates and assumptions are reviewed periodically and the revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Deposits include cash on hand. Under Florida Statutes Chapter 280, Florida Security for Public Deposits Act, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized with securities held by the entity or its agent in the entity's name.

At September 30, 2025, the carrying amount of the Town's deposits was $ 40,408,106 with a bank balance of approximately $ 41,083,000.

Deposits consist of interest and noninterest-bearing demand accounts. All of the Town's deposits are entirely insured by federal depository insurance or collateralized by the multiple financial institution collateral pool pursuant to Florida Statutes, Chapter 280, Florida Security for Public Deposits Act. Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. As of September 30, 2025, the Town's bank balance was approximately $41,083,000 and $40,833,000 of that amount was collateralized with securities held by the pledging institution.

Investments

The Town's investment policy follows the requirements of Florida Statutes Chapter 218.415, and attempts to promote, in order of priority, safety of principal, adequate liquidity, and maximization of total return. The Town's investment policy authorizes investments in obligations of the U.S. Treasury, U.S. Government Agency securities, including FNMA, FHLMC, and GNMA, and securities guaranteed by these Agency issues, certificates of deposit, savings certificates, time deposits, banker's acceptances, repurchase agreements of domestic commercial banks and savings and loan associations fully collateralized with U.S. Government or Agency securities, commercial paper rated A1/P1 or the equivalent by a major rating service, money market funds exclusively comprised of the above securities, the State of Florida Local Government Surplus Funds Trust Fund, the FMIvT, and corporate bonds rated BBB+ or better. The investment policy defined in the statutes attempts to promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of governments while limiting the risk to which the funds are exposed. The Town maintains a separate investment policy for its pension plan.

The Town also invests surplus funds in the Florida Cooperative Liquid Assets Securities System ("FLCLASS"). FLCLASS which is an independent local government investment pool designed to provide a safe and competitive investment alternative to Florida governmental entities and supervised by a Board of Trustees comprised of eligible Participants of the FLCLASS program. The Town's investment in the FLCLASS is reported at amortized cost, as a result, the FLCLASS investments are exempt from GASB 72 fair value hierarchy disclosures as of September 30, 2025. There were no withdrawal restrictions or redemption limitations in effect at year-end.

For the Town's pension plan, a Master Custodian Agreement is maintained whereby the investment securities are held in the Plan's name by a financial institution acting as the Plan's agent except for its shares in domestic equity index funds and a core real estate fund.

Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Town and the Town's pension plan categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Town

		Fair Value Measurements Using		
	9/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments at fair value				
U.S. Treasuries	$ 4,031,573	$ 4,021,571	$ 10,002	$ -
U.S. Government obligations	409,614	-	409,614	-
Local government bonds	125,922	-	125,922	-
Corporate bonds	2,591,124	-	2,591,124	-
Total investments at fair value	7,158,233	$ 4,021,571	$ 3,136,662	$ -
Investment in FLCLASS (measured at amortized cost)	20,180,661			
Total investments	$ 27,338,894			

Level 1 - Investments' fair values based on prices quoted in active markets for identical assets at the measurement date.

Level 2 - Investments' fair values based on observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets. Fixed income securities are generally valued using evaluated prices provided by third-party pricing services that incorporate benchmark yield curves, reported trades, broker-dealer quotes, issuer spreads, and other observable market information.

Level 3 - Investments' fair values based upon unobservable inputs.

FLCLASS is considered an external investment pool and is not required to be categorized within the fair value hierarchy for reporting purposes.

The Town's investment policy limits the maturity of fixed-income holdings to ten years. As of September 30, 2025, the Town had the following fixed income investments and corresponding maturities in its portfolio:

		Investment Maturities (In Years)		
Investments:	Fair Value	Less than 1	1-5	6-10
U.S. Treasuries	$ 4,031,573	$ 64,926	$ 2,217,354	$ 1,749,293
U.S. Government obligations	409,614	-	224,407	185,207
Local government bonds	125,922	-	125,922	-
Corporate bonds	2,591,124	286,161	1,346,696	958,267
Total	$ 7,158,233	$ 351,087	$ 3,914,379	$ 2,892,767

Interest Rate Risk

Interest rate risk refers to the portfolio's exposure to fair value losses arising from increasing interest rates. The Town's investment policy limits investment maturities to ten years in order to control its exposure to fair value losses arising from increasing interest rates.

The dollar weighted average days to maturity (WAM) of FLCLASS at September 30, 2025, was 42.34 days and the weighted average life (WAL) was 85.05 days.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Town (Continued)

Credit Risk
State law and the Town's investment policy limits investments in bonds, U.S. treasuries and agency obligations, or other evidences of indebtedness to the top ratings issued by nationally recognized statistical rating organizations of the United States. The Town's corporate bonds and agency bonds were all rated "BBB+" or better under Standard & Poor's ratings and "Baa1" or better under Moody's ratings.

FLCLASS is rated by S&P Global Ratings. The current rating is AAAm.

Concentration of Credit Risk
The Town's investment policy does not stipulate any limit on the percentage that can be invested in any one issuing company. As of September 30, 2025, the value of each position held in the Town's portfolio comprised less than 5% of the Town's investment assets.

Custodial credit risk
The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the Town's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Town's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Town's name.

Investments – Pension Plan

The Plan's investment practices are governed by the Florida Statutes and the Plan's adopted investment policy. Florida Statutes and the Plan policy authorize the Board to invest in domestic stocks, domestic bonds, international stock, diversified assets, emerging markets and real estate funds. In addition to complying with Plan policy, the Plan applies the "Prudent Person Rule" when executing investment strategies. Investments are made with judgment and care, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income derived.

To diversify Plan assets so as to minimize the risk associated with dependence on the success on one enterprise, the Board of Trustees employs a multi-manager team approach to investing Plan assets. Asset managers are employed to utilize individual expertise within their assigned area of responsibility. Each manager is governed by individual investment guidelines. The Plan's investment consultant oversees the investment managers and the entire portfolio.

The Plan's asset management structure established by the policy is as follows:

Type	Allowable Range %	Target
Domestic equity	30%-50%	40%
Domestic bonds (fixed income)	25%-60%	30%
International equity	0%-20%	15%
Real estate	0%-20%	15%

Rate of Return
For the year ended September 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.76%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. Inputs to the internal rate of return calculation are determined on a monthly basis.

Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan diversifies its investments by security type and institution and limits holdings in any one type of investment with any one issuer with various durations of maturity.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

The Plan does not have a formal investment policy that limits investment maturities as a means of managing its exposure to market value losses arising from increasing interest rates.

As of September 30, 2025, the Plan did not have a direct investment in fixed income investments in its portfolio. Neither state law nor Plan investment policy limits maturity terms on fixed income holdings. At September 30, 2025, the Plan did not hold direct investments in U.S. government bonds and securities with stated maturities. As a result, no maturity data is available or presented in accordance with applicable disclosure requirements.

Credit Risk
Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy utilizes portfolio diversification in order to control this risk. The Plan monitors credit risk continuously and may adjust its portfolio allocation to mitigate exposure to potential credit deterioration. No significant credit losses were recognized during the reporting period.

At September 30, 2025, the Plan's exposure to credit risk is through its investments in fixed income pooled funds. Because the Plan invests through pooled investment vehicles, the credit quality of underlying securities and bonds is not disclosed at the Plan level. All equity and real estate investments held by the Plan are not rated.

Concentration of Credit Risk
The investment policy of the Plan establishes limits on the amount that may be invested in any single issuer as well as maximum portfolio allocation percentages. As of September 30, 2025, substantially all investments are held in a pooled investment fund; therefore, in accordance with GASB Statement No. 40, investments in external investment pools are excluded from concentration of credit risk disclosure requirements, and such disclosures are not applicable for the current year.

For the year ended September 30, 2025, there were no individual investments in any one issuer that represented 5% or more of total investments.

Fair Value Hierarchy
The following is a description of the fair value techniques for the Town's pension plan investments.

The Plan holds money market funds, which are reported at amortized cost.

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. This includes common stock, American depository receipts ("ADR"), and exchange traded funds ("ETF"). The inputs or methodology used for valuing securities are not necessarily an indication of risk associated with investing in those securities.

Debt securities are valued using quoted market prices (Level 1) or using pricing inputs that reflect the assumptions market participants would use to price an asset or liability and are developed based on market data obtained from sources independent of the reporting entity (Level 2).

The Fund uses net asset value ("NAV") per share, or its equivalent, as a practical expedient to estimate the fair values of certain alternative investments, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments as of September 30, 2025:

		Fair Value Measurements Using	
	9/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments by fair value level:			
Investment trust fund	$ 24,241,385	$ -	$ 24,241,385
Total investments at fair value	24,241,385		
Investments Measured at Net Asset Value (NAV)			
Real estate fund	4,252,647		
Total investments measured at NAV	4,252,647		
Money market funds (amortized cost)	212,878		
Total investments	$ **28,706,910**		

The following is a description of the fair value techniques used by the Plan over its investments:

- Money market funds are reported at amortized cost.
- Investment Trust Funds consist of pooled investment vehicles that invest in diversified portfolios of fixed income and equity securities. The fair value of these investments is determined by using pricing models and other valuation methodologies that incorporate observable market inputs. Because the valuation is based on significant observable inputs rather than quoted prices for identical assets in active markets, these investments are categorized as Level 2 within the fair value hierarchy.
- The Plan’s Real Estate allocation consists of two separate institutional real estate funds: the FMPTF Core Real Estate Portfolio, and the ARA Core Property Fund. Both funds are non-publicly traded institutional real estate vehicles that report a quarterly net asset value (NAV) based on appraisals prepared in accordance with U.S. GAAP. Because the NAV is used as a practical expedient to estimate fair value, these investments are not classified within the fair value hierarchy (Levels 1–3) in accordance with GASB.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions as of September 30, 2025:

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
ARA Core Real estate funds (1)	$ 2,097,266	$ -	Quarterly	10 days
FMPTF Core Real estate funds (2)	2,155,381	-	Quarterly	N/A
Total investments measured at NAV	$ 4,252,647	$ -		

(1) *ARA Core Real estate funds:* These funds are an open-end core real estate investment fund designed to provide investors with a combination of current income, capital preservation, and long-term capital appreciation through investments in diversified, institutional-quality real estate assets. The Fund's long-term growth strategy is to achieve capital appreciation through the acquisition, ownership, and active management of diversified institutional-quality real estate investments, while its short-term investment strategy is to generate stable current income, preserve capital, and maintain liquidity through a broadly diversified portfolio of substantially leased, income-producing properties.

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Pension Plan (Continued)

(2) *FMPTF Core Real estate funds:* The Core Real Estate Portfolio invests in a diversified real estate fund designed to provide a stable, income-driven rate of return. The portfolio's long-term growth strategy is to achieve capital appreciation and growth in income through diversified real estate investments, while its short-term strategy is to generate stable current income and preserve value through broad diversification by property type and geographic location.

Risks and Uncertainties
The Town and the Plan invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements. The Town and the Plan, through its investment consultant, monitor the investments and the risks associated therewith on a regular basis which the Town and the Plan believes minimizes these risks.

NOTE 3 - RECEIVABLES

Receivables as of September 30, 2025 for the Town’s individual funds are as follows:

	General Fund	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Stormwater Fund	Total
Property taxes	$ 46,225	$ -	$ -	$ -	$ -	$ -	$ 46,225
Franchise fees	104,362	-	-	-	-	-	104,362
Utility taxes	76,630	-	-	-	-	-	76,630
Interest and dividends	28,440	16,300	-	17,183	3,244	-	65,167
Parking trust receipts	-	-	-	-	81,360	-	81,360
Leases Receivable	-	37,055	-	-	7,213,121	-	7,250,176
Due from other governments	228,627	559,551	63,375	-	-	208,207	1,059,760
Other	149,265	-	-	340,599	-	-	489,864
Total Receivables	$ 633,549	$ 612,906	$ 63,375	$ 357,782	$ 7,297,725	$ 208,207	$ 9,173,544

Leases Receivable

On May 4, 2010, the Town, as a lessor, entered into a lease agreement to permit a local fire department to use a parking garage. The term of the lease is thirty years with two thirty-year renewal option periods, for which the Town has made determinations as to if those options are reasonably certain to be exercised, and those determinations are reflected in the calculations presented, in accordance with GASB 87. As of September 30, 2025, the lease agreement has approximately 76 years remaining. An initial lease receivable was recorded in the amount of $6,578,550. As of September 30, 2025, the value of the lease receivable is $7,213,121. The lessee is required to make annual payments to the Town ranging from approximately $121,500 to $264,000 through the term of the lease. The lease agreement has an implicit interest rate of 2.012%. The value of the deferred inflow of resources as of September 30, 2025 was $6,821,855, and the Town recognized lease revenue of $113,747 during the fiscal year.

On August 1, 2008, the Town, as a lessor, entered into a lease agreement to permit for the use of a gas station on the causeway. This lease was extended for an additional six years effective January 4, 2018 and has since renewed with 3 month extensions. The most recent extension was made January 2026 to extend the lease through April 30, 2026. As of September 30, 2025, the lease agreement has 7 months remaining. As of September 30, 2025, the value of the lease receivable is $37,055. The lessee is required to make monthly payments of approximately $7,600. The lease agreement has an implicit interest rate of 0.396%. The value of the deferred inflow of resources as of September 30, 2025 was $36,537, and the Town recognized lease revenue of $104,564 during the fiscal year.

NOTE 3 - RECEIVABLES (CONTINUED)

Future principal and interest payment requirements related to the Town's lease receivables at September 30, 2025 are as follows:

Fiscal year ending September 30:	Principal Payments	Interest Income	Total Future Minimum Rent
2026	$ 28,533	$ 145,452	$ 173,985
2027	(7,315)	145,369	138,054
2028	(6,070)	145,505	139,435
2029	(4,786)	145,615	140,829
2030	(3,462)	145,700	142,238
2031 - 2035	4,024	728,785	732,809
2036 - 2040	43,724	726,465	770,189
2041 - 2045	89,625	719,852	809,477
2046 - 2050	142,485	708,283	850,768
2051 - 2055	203,148	691,017	894,165
2056 - 2060	272,552	667,225	939,777
2061 - 2065	351,739	635,977	987,716
2066 - 2070	441,868	596,231	1,038,099
2071 - 2075	544,228	546,825	1,091,053
2076 - 2080	660,249	486,458	1,146,707
2081 - 2085	791,522	413,679	1,205,201
2086 - 2090	939,810	326,868	1,266,678
2091 - 2095	1,107,073	224,218	1,331,291
2096 - 2100	1,295,486	103,714	1,399,200
2101-2102	355,743	4,798	360,541
Total	$ 7,250,176	$ 8,308,036	$ 15,558,212

NOTE 4 – PROPERTY TAXES

Property values are assessed on a county-wide basis by the Miami-Dade County Property Appraiser as of January 1, the lien date, of each year and are due the following November 1. Taxable value of property within the Town is certified by the Property Appraiser and the Town levies a tax millage rate upon the taxable value, which will provide revenue required for the fiscal year beginning October 1.

Property taxes levied each November 1, by the Town and all other taxing authorities within the County, are centrally billed and collected by Miami-Dade County, with remittances to the Town of their proportionate share of collected taxes. Taxes for the fiscal year beginning October 1 are billed in the month of November, subject to a 1% per month discount for the period November through February and are due no later than March 31. On April 1, unpaid amounts become delinquent with interest and penalties added thereafter. Beginning June 1, tax certificates representing delinquent taxes with interest and penalties are sold by Miami-Dade County, with remittance to the Town for its share of those receipts. At September 30, 2025, there were no material delinquent taxes.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due from/to Other Funds

The composition of interfund balances as of September 30, 2025 is as follows:

	Payable Fund									
Receivable Fund	General Fund	Capital Project Fund	Causeway Fund	Sewer Fund	Water Fund	Parking Fund	Solid Waste Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	Total
General Fund	$ -	$ -	$ 2,072,820	$ 1,152,385	$ 620,355	$ -	$ 267,078	$ 74,204	$ 105,634	$ 4,292,476
Building Fund	13,748,508	335,753	-	-	-	-	-	-	-	14,084,261
Capital Project Fund	168,111	-	-	-	-	-	-	-	-	168,111
Causeway Fund	-	-	-	-	12,508	6,291	-	-	-	18,799
Sewer Fund	-	-	-	-	228,597	-	-	-	-	228,597
Water Fund	-	-	3,934	-	-	-	-	-	-	3,934
Parking Fund	424,054	-	-	-	2,064	-	-	-	-	426,118
Solid Waste Fund	-	-	-	-	89,587	-	-	-	-	89,587
Nonmajor:										
Park Impact Fees	142,088	-	-	-	-	-	-	-	-	142,088
Youth Dev't Prog	-	-	-	-	-	-	-	-	-	-
Stormwater	-	-	-	-	51,456	-	267,935	-	-	319,391
Total	$ 14,482,761	$ 335,753	$ 2,076,754	$ 1,152,385	$ 1,004,567	$ 6,291	$ 535,013	$ 74,204	$ 105,634	$ 19,773,362

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund Transfers

Transfers during the year ending September 30, 2025 were as follows:

	Transfers in		
	General Fund	Youth Development Fund	Total
Transfers out			
General Fund	$ -	$ 315,111	$ 315,111
Building Fund	512,461	-	512,461
Causeway Fund	800,000	-	800,000
Sewer Fund	300,000	-	300,000
Water Fund	240,000	-	240,000
Total	$ 1,852,461	$ 315,111	$ 2,167,572

The Town's Building Fund and enterprise funds transfer payments to the General Fund to pay for services provided by General Fund employees such as general management, payroll, human resources, agenda preparation, records retention, and risk management. These administrative services are provided to the enterprise funds to support their operations. Transfers into special revenue funds are used to move the restricted assets to these funds to comply with requirements of these revenue sources.

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2025 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated/amortized					
Land	$ 3,806,254	$ -	$ -	$ -	$ 3,806,254
Construction in progress	1,181,108	517,691	-	(704,075)	994,724
Total capital assets not being depreciated/amortized	4,987,362	517,691	-	(704,075)	4,800,978
Capital assets being depreciated/amortized					
Buildings	4,443,205	63,906	-	-	4,507,111
Improvements other than buildings	23,203,350	-	-	704,075	23,907,425
Furniture, fixtures and equipment	3,243,133	74,556	-	75,790	3,393,479
Lease assets:					
Furniture, fixtures and equipment (Right-of-use assets)	1,520,462	193,725	(36,906)	(75,790)	1,601,491
Subscription asset	596,806	-	(90,662)	-	506,144
Total capital assets being depreciated/amortized	33,006,956	332,187	(127,568)	704,075	33,915,650
Less accumulated depreciation/amortization					
Buildings	(2,721,586)	(120,935)	-	-	(2,842,521)
Improvements other than buildings	(9,877,961)	(750,599)	-	-	(10,628,560)
Furniture, fixtures and equipment	(2,543,808)	(260,931)	-	(75,790)	(2,880,529)
Lease assets:					
Furniture, fixtures and equipment (Right-of-use assets)	(593,132)	(332,427)	36,906	75,790	(812,863)
Subscription asset	(150,817)	(135,884)	79,631	-	(207,070)
Total accumulated depreciation/amortization	(15,887,304)	(1,600,776)	116,537	-	(17,371,543)
Total capital assets being depreciated/amortized, net	17,119,652	(1,268,589)	(11,031)	704,075	16,544,107
Governmental activities capital assets, net	$ 22,107,014	$ (750,898)	$ (11,031)	$ -	$ 21,345,085
Business-type Activities					
Capital assets not being depreciated					
Land	$ 671,273	$ -	$ -	$ -	$ 671,273
Construction in progress	5,598,622	710,698	-	-	6,309,320
Total capital assets not being depreciated	6,269,895	710,698	-	-	6,980,593
Capital assets being depreciated/amortized					
Causeway system	2,549,328	-	-	-	2,549,328
Toll collection system	1,935,924	343,748	-	-	2,279,672
Sewer system	6,822,434	63,373	-	-	6,885,807
Water system	2,589,204	-	-	-	2,589,204
Parking garage	10,198,651	-	-	-	10,198,651
Improvements other than buildings	47,475,737	203,691	-	-	47,679,428
Equipment	2,800,076	27,699	-	43,922	2,871,697
Lease assets:					
Furniture, fixtures and equipment (Right-of-use assets)	124,883	-	-	(43,922)	80,961
Total capital assets being depreciated/amortized	74,496,237	638,511	-	-	75,134,748
Less accumulated depreciation					
Causew ay system	(2,549,328)	-	-	-	(2,549,328)
Toll collection system	(1,935,870)	(2,918)	-	-	(1,938,788)
Sewer system	(3,741,517)	(166,218)	-	-	(3,907,735)
Water system	(1,702,488)	(34,450)	-	-	(1,736,938)
Parking garage	(3,039,020)	(202,155)	-	-	(3,241,175)
Improvements other than buildings	(20,342,489)	(1,421,360)	-	-	(21,763,849)
Equipment	(1,941,380)	(129,427)	-	(43,922)	(2,114,729)
Lease assets:					
Furniture, fixtures and equipment (Right-of-use assets)	(55,157)	(22,537)	-	43,922	(33,772)
Total accumulated depreciation	(35,307,249)	(1,979,065)	-	-	(37,286,314)
Total capital assets being depreciated, net	39,188,988	(1,340,554)	-	-	37,848,434
Business-type activities capital assets, net	$ 45,458,883	$ (629,856)	$ -	$ -	$ 44,829,027

NOTE 6 - CAPITAL ASSETS (CONTINUED)

Depreciation/amortization expense was charged as functions/programs as follows:

Governmental Activities:		
General government	$	230,537
Public safety		565,105
Transportation		543,720
Culture and recreation		261,414
Total depreciation/amortization expense - governmental activities	$	1,600,776
Business-type activities:		
Causeway	$	1,394,982
Sewer		259,007
Water		64,732
Parking		219,040
Stormwater		41,304
Total depreciation/amortization expense - business-type activities	$	1,979,065

NOTE 7 - LONG-TERM DEBT

Governmental Activities

The following is a summary of changes in long-term liabilities of the Town for governmental activities for the fiscal year ended September 30, 2025:

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable (Direct Borrowings):					
Refunding Note, Series 2012	$ 1,463,000	$ -	$ (354,000)	$ 1,109,000	$ 362,000
Revenue Bonds, Series 2016	3,025,000	-	(10,000)	3,015,000	10,000
Add deferred amounts:					
Issuance premium	70,455	-	(7,828)	62,627	7,282
Total bonds payable, net	4,558,455	-	(371,828)	4,186,627	379,282
Compensated absences	1,513,165	-	(130,062)	1,383,103	138,310
Leases liability	928,235	177,605	(305,355)	800,485	301,610
Subscription liability	390,323	-	(132,972)	257,351	101,441
Governmental activities long-term liabilities	$ 7,390,178	$ 177,605	$ (940,217)	$ 6,627,566	$ 920,643

All long-term obligations/liabilities, including pension and OPEB liabilities, of governmental activities are typically liquidated through the General Fund.

<u>Refunding and Improvement Revenue Bonds – Series 2016</u>

On September 29, 2016 the Town issued bonds in the amount of $3,085,000 to advance refund the Series 2003B bonds. The bonds, including the payment of interest are secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues. As of September 30, 2025, the deferred gain on refunding balance is $35,463. The total principal and interest remaining on the bonds is $3,742,851. For the current year, total debt service on the note was $118,750. The note bears interest at a variable rate between 2% to 5%, with annual principal payments and semi-annual interest payments due through October 1, 2034.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 10,000	$ 108,538	$ 118,538
2027	10,000	108,313	118,313
2028	10,000	108,075	118,075
2029	10,000	107,800	117,800
2030	450,000	96,400	546,400
2031-2035	2,525,000	198,725	2,723,725
	$ 3,015,000	$ 727,851	$ 3,742,851

Refunding Note – Series 2012
On December 3, 2012, the Town borrowed $4,709,000 [Promissory Refunding Note, Series 2012 (Sales Tax)] from a financial institution as a direct borrowing and used the proceeds to refund a portion ($4,445,000) of its Revenue Bonds, Series 2003B. There was no deferred amount on refunding. The note, including the payment of interest is secured by a pledge of the Town's half-cent sales tax, franchise fees, and utility taxes. The total principal and interest remaining on the note is $1,144,081. For the current year, pledged revenues were $1,875,994 and debt service on the note was $380,877. The note bears interest at 2.09%, with annual principal payments and semi-annual interest payments due through December 1, 2027.

Debt service requirements to maturity for this direct borrowing are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 362,000	$ 19,395	$ 381,395
2027	370,000	11,746	381,746
2028	377,000	3,940	380,940
	$ 1,109,000	$ 35,081	$ 1,144,081

Business-type Activities

The following is a summary of changes in long-term liabilities of the Town for business- type activities for the fiscal year ended September 30, 2025:

	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Notes payable (Direct Borrowings):					
Broad Causeway Promissory Note, Series 2012	$ 5,202,000	$ -	$ (989,000)	$ 4,213,000	$ 1,014,000
Parking Refunding Note, Series 2012	1,270,000	-	-	1,270,000	414,000
Total notes payable	6,472,000	-	(989,000)	5,483,000	1,428,000
Compensated absences	536,740	110,709	(3,323)	644,126	64,414
Leases liability	66,900	-	(19,891)	47,009	13,344
Total Business-type Activities	$ 7,075,640	$ 110,709	$ (1,012,214)	$ 6,174,135	$ 1,505,758

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Broad Causeway Promissory Note, Series 2012
On November 14, 2012, the Town issued the Broad Causeway Promissory Note, Series 2012, as a direct borrowing, in the amount of $14,642,000 in order to secure funding for a comprehensive rehabilitation of the causeway corridor and bridges to be completed over the next several years, and in order to refund the prior Broad Causeway Revenue Notes Series 2003A and 2003B.

The note, including the payment of interest is secured by the gross revenues from the operation of the Causeway and a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is $4,429,505. For the current year, pledged revenues were $12,768,105 and debt service on the note was $1,108,100. The note bears interest at 2.53%, with annual principal payments and semi-annual interest payments due through December 1, 2028.

Debt service requirements to maturity for this direct borrowing are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 1,014,000	$ 93,762	$ 1,107,762
2027	1,040,000	67,779	1,107,779
2028	1,066,000	41,138	1,107,138
2029	1,093,000	13,826	1,106,826
	$ 4,213,000	$ 216,505	$ 4,429,505

Parking Promissory Refunding Note, Series 2012
On November 14, 2012, the Town issued the Parking Promissory Refunding Note, Series 2012, as a direct borrowing, in the amount of $4,923,000 in order to refinance the Series 2008 note. The note, including the payment of interest is secured by a pledge by the Town to budget and appropriate an amount from non-ad valorem revenues if needed. The total principal and interest remaining on the note is $1,311,751. The note bears interest at 2.17%, with annual principal payments and semi-annual interest payments due through December 1, 2027.

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 414,000	$ 23,067	$ 437,067
2027	423,000	13,986	436,986
2028	433,000	4,698	437,698
	$ 1,270,000	$ 41,751	$ 1,311,751

The Town's failure to pay the principal or interest on any debt obligation listed above when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the Town's various debt obligations, constitutes an event of default for the Town. In the event of a default, lenders may declare all principal and interest to be due immediately. The lender may also seek enforcement of and exercise all remedies available to collect the obligation due under any applicable law.

Leases Liability

The Town has entered into multiple lease agreements as a lessee. The lease agreements qualify as other than a short-term lease under GASB 87 and therefore; have been recorded at the present value of the future minimum lease payments as of the date of their inception. A summary of the leases by governmental activities and business-type activities is summarized below:

Governmental activities:
The Town entered 30 active lease agreements as of September 30, 2025, which range in duration from 12 months to 60 months. As of September 30, 2025, the value of the lease liability was $800,485. Principal and interest payments made during the fiscal year totaled $317,653. Required monthly fixed payments range from approximately $459 to $47,240. The value of the leases (right-to-use assets) as of September 30, 2025 is $1,601,491 with accumulated amortization of $812,863.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025 for governmental activities, are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 301,610	$ 35,402	$ 337,012
2027	283,098	22,329	305,427
2028	150,742	10,574	161,316
2029	59,423	2,487	61,910
2030	5,612	48	5,660
	$ 800,485	$ 70,840	$ 871,325

Business-type activities: The Town entered into four lease agreements as a Lessee which range in duration from 12 months to 60 months. As of September 30, 2025, the value of the lease liability was $47,009. Principal and interest payments made during the fiscal year totaled $25,201. Required monthly fixed payments range from approximately $452 to $1,156. The value of the leases (right-to-use assets) as of September 30, 2025 is $80,961 with accumulated amortization of $33,772.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2025 for business-type activities, are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 13,344	$ 4,273	$ 17,617
2027	10,716	3,156	13,872
2028	11,949	1,923	13,872
2029	11,000	559	11,559
	$ 47,009	$ 9,911	$ 56,920

Subscription-Based Information Technology Arrangements ("SBITA")

The Town has entered into multiple SBITAs. The SBITAs qualify as other than a short-term under GASB 96 and therefore; have been recorded at the present value of the future minimum payments as of the date of their inception.

Governmental activities
As of September 30, 2025, the Town has 7 active subscription arrangements which range in duration from 12 months to 48 months. Major subscription-based software arrangements include budgeting, public safety, financial management, and other administrative and operational applications utilized by the Town in conducting its governmental activities. The value of the subscription arrangements liability was $257,351 as of September 30, 2025. Principal and interest payments made during the fiscal year totaled $145,389. Required monthly fixed payments range from approximately $513 to $81,652. The value of the subscription arrangements as of September 30, 2025 is $506,144 with accumulated amortization of $207,070.

The future minimum subscription arrangement obligations and the net present value of these minimum subscription arrangement payments as of September 30, 2025, are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2026	$ 101,441	$ 8,125	$ 109,566
2027	76,750	4,902	81,652
2028	79,160	2,489	81,649
	$ 257,351	$ 15,516	$ 272,867

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Litigation

At times during the year, the Town was involved in lawsuits or other legal matters incidental to its operations, the outcome of which, in the opinion of management and legal counsel, would not have a material adverse effect on the financial condition of the Town.

Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, workers compensation, and natural disasters for which the Town carries commercial insurance. There was no reduction in insurance coverage from coverages in the prior year and there were no settlements that exceeded insurance coverage for each of the past three years.

NOTE 9 – DEFINED BENEFIT PENSION PLAN

Plan Description

The Town has a single-employer defined benefit pension plan covering all full-time general employees and police officers with one year of service. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The Plan’s fiduciary net position has been determined on the same basis that is used by the Plan. This report may be obtained by contacting the Town’s Finance Director or visiting the Town’s website.

The Town of Bay Harbor Islands Employees' Retirement System was established by the Town’s Ordinance 226 effective January 12, 1970. The Plan is considered part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. All full-time general employees and police officers with one year of service are eligible. The actuarial funding valuation is as of October 1, 2023 for the Town’s contribution for fiscal year ended September 30, 2025. Benefit and contribution provisions are established by Chapter 16 of the Town Code and may be amended only by the Board of Trustees, subject to approval of the Town Council. Administrative costs of the Plan are funded through investment earnings.

The Plan is administered by a Board of Trustees comprised of:

- The Town Manager (a permanent member of the Board by Ordinance)
- Two members of the Town Council elected by the Town Council
- A police officer elected by his/her fellow officers
- A general employee elected by his/her fellow general employees

Membership in the Plan as of the latest actuarial valuation dated October 1, 2023, was as follows:

	2024
Inactive plan members and beneficiaries currently receiving benefits	36
Inactive plan members entitled but not yet receiving benefits	12
Active plan members	66
Total Members	114

Employees become fully vested after 5 years of credited service.

Pension Benefits

Normal retirement is as follows:

- General employees who retire at the earlier of age 52 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

- Police officers who retire at the earlier of age 50 with twenty years of credited service, age 55 with ten years of credited service or at age 65 regardless of time of service.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Under special circumstances, the Plan also provides for delayed retirement benefits and disability retirement benefits. A member may elect to receive in a lump sum at retirement an amount which is the actuarial equivalent of the benefits otherwise payable under the Plan. General employees may elect to receive a partial lump sum equal to any portion of the actuarial equivalent lump sum value of the employee's accrued benefit, with the remaining value, if any, to be paid in the form of a straight-line annuity or in any of the other optional retirement benefit annuity forms.

Normal retirement benefits for general employees are based on 1.25% of average final compensation. For police, the multiplier is 1.75% for service before October 1, 2005, 3% after that date and before October 1, 2006, and 3.25% thereafter. For general employees and for police service before October 1, 2005, the multiplier may increase depending upon the members' contribution rate.

For police officers who were employed and accruing credited service on October 1, 2014, the normal retirement benefit rate increased from 3.25% to 3.50% for years of service on or after October 1, 2014.

For general employees who were employed and accruing credited service on October 1, 2015, the normal retirement benefit rate increased from 1.25% to 1.50% for all credited service earned from October 1, 2010 to September 30, 2016, and to 1.75% for all credit service earned on or after October 1, 2016.

A terminating member with less than five years creditable service shall receive his/her contribution plus accrued interest accumulated since initial employment.

A police officer may purchase credited service for military service or for service as a police officer for a different employer occurring prior to the member's first or initial employment with the Town, as long as the member is not entitled to receive a benefit for such other prior service as a police officer. The maximum number of years of credited service that may be purchased for prior military and prior police service combined is four years.

Contributions and Funding Policy

General employees are required to contribute 2% of their compensation, and may elect to make additional voluntary contributions up to 10%. Effective October 1, 2006, the mandatory contribution for police is 8% and no additional voluntary contributions are permitted. Employer contributions for fiscal year ended September 30, 2025 were 28.29% of covered payroll. The contribution requirements of the Town for the fiscal year ended September 30, 2025 were determined by the October 1, 2024 actuarial valuation. Pursuant to Chapter 185 of the Florida Statutes, a premium tax on certain property and casualty insurance contracts, written on Town of Bay Harbor Islands properties, is collected by the state and is remitted to the Town. The State of Florida distributes this money to local governments meeting certain eligibility requirements which is intended to purchase supplemental pension benefits for police officers. Refer to the share plan/supplemental benefits note for changes made to this benefit.

In fiscal year 2025, $88,983 was received by the Town from the State on behalf of Police Officers (Chapter 185) and recorded in the General Fund as revenue and as a contribution (expenditure) to the Plan. The total amount went towards funding the actuarially determined annual required contribution for the Plan.

The Plan's funding policy provides for actuarially determined periodic employer contributions sufficient to pay the benefits provided by the Plan when they become due. The actuarial cost method used for determining the contribution requirements of the Plan is the entry age normal cost method.

Share Plan/Supplemental Benefits

The Town participates in the State of Florida Chapter 185 program. As a participant in the program, the Town is eligible to receive annual distributions of state premium tax collections on property and casualty insurance policies written within the Town limits. Chapter 185 levies a 0.85% tax on all casualty insurance premiums written within the Town limits. The monies received by the Town are for the purpose of providing benefits to or for the exclusive use of police officers. Effective October 1, 2015, the Town and the Dade County Police Benevolent Association agreed to utilize the supplemental benefit assets to increase the normal retirement multiplier to 3.50% and to utilize future Chapter 185 distributions as an offset to the Town's required contributions. As a result, there are no Share plan assets included in the pension trust fund as of September 30, 2025.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Deferred Retirement Option Plan ("DROP")

The Board of Trustees approved and amended the Plan documents to include a DROP for general employees effective January 18, 2020 and for police officers effective October 7, 2019. Any member is eligible to enter the DROP on or after his or her normal retirement date as defined above. The maximum participation in the DROP is 60 months. However, an extension of a member's participation time in the DROP may be allowed at the sole discretion of the town manager and on a case-by-case basis. If an extension of time is allowed, the manager's approval shall be in writing and it shall specify the amount of time that is approved. A DROP member may separate from service prior to the expiration of the five-year period and can only participate in the DROP once.

Upon commencement of participation in the DROP, (a) the employee does not receive any additional creditable service for pension purposes, (b) the member is not eligible for disability or pre-retirement death benefits and (c) the member's contributions are discontinued. Additionally, the amount of final average salary for calculation of pension benefits is determined as of the date of entering the DROP. No payment is made for accrued unused leave upon entering the DROP, nor shall the amount of accrued unpaid leave be used in the calculation of the amount of pension benefits.

The monthly retirement benefits that would have been payable had the member elected to cease employment and not join the DROP, is credited to the member's DROP account. The money in all participant's DROP accounts is commingled with all other assets of the fund.

For members who enter the DROP on or after October 7, 2019, the member's DROP account is credited with the interest earned by the individual employee's retirement system account for the fiscal year minus administrative fees reasonably incurred by the Town in processing the account.

Upon termination of a DROP member's employment with the Town, the retirement benefits accumulated in the member's DROP account is paid to the member. The balance credited to the member's DROP account shall be payable either to the member or as a direct rollover into any qualified plan that accepts rollovers. All distributions must comply with the Internal Revenue Code and regulations promulgated thereunder.

As of the fiscal year ended September 30, 2025, there was 1 member who participated in the DROP. A summary of the changes in the DROP is as follows:

Beginning balance	$	451,482
Investment income		29,633
Ending balance	$	481,115

Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting in accordance with GAAP as applied to governmental entities in accordance with GASB pronouncements. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value, except for money market funds, which are reported at amortized cost. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Realized gains and losses are determined on the basis of average cost. Purchases and sales of securities are recorded on the trade-date basis. Interest and dividends are recorded as earned on the accrual basis. For more details regarding the methods used to measure the fair value of investments, refer to the fair value hierarchy in Note 3.

Within certain limitations as specified in the Plan, the investment policy is determined by the Board of Trustees and is implemented by the Plan's investment managers.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Asset) of the Town

In accordance with Government Accounting Standards Board Statement No. 68, the net pension asset of the Town, which elected to use a measurement date of September 30, 2024, was as follows:

Total pension liability	$	26,954,612
Less plan fiduciary net position		(28,048,379)
Net pension asset	$	(1,093,767)
Plan fiduciary net position as a percentage of the total pension asset		104%

The above net pension asset is recorded within the government-wide statement of net position as of September 30, 2025.

Changes in the Net Pension Liability (Asset)

	Total Pension Liability **(a)**	Plan Fiduciary Net Position **(b)**	Net Pension Liability (Asset) **(a) - (b)**
Balances at September 30, 2023	$ 25,604,510	$ (22,839,909)	$ 2,764,601
Changes for the year:			
Service cost	1,249,640	-	1,249,640
Expected interest growth	2,111,334	(1,854,610)	256,724
Unexpected investment income	-	(2,417,498)	(2,417,498)
Demographic experience	(1,191,183)	-	(1,191,183)
Contributions - employer	-	(1,313,706)	(1,313,706)
Contributions - employee	-	(508,748)	(508,748)
Benefit payments, including refunds of employee contributions	(819,689)	819,689	-
Changes in benefit terms	-	-	-
Administrative expenses	-	66,403	66,403
Net changes	1,350,102	(5,208,470)	(3,858,368)
Balances at September 30, 2024	$ 26,954,612	$ (28,048,379)	$ (1,093,767)

Significant Actuarial Assumptions

The total pension asset was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate	7.96%
Inflation	3.00%
Salary increases	4.00% per annum
Measurement Date	September 30, 2024, based on a valuation date of October 1, 2023
Cost of Living increases	None

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates	For general employees prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for general employees after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for police officers prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for non-disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; and for disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024 are summarized in the following table:

Investment Category	Expected Long-Term Real Return	Target Allocation
Large cap (domestic equity)	5.73%	25%
Mid cap (domestic equity)	9.50%	7.50%
Small cap (domestic equity)	9.32%	7.50%
Fixed Income	1.55%	35%
Developed markets	4.25%	10%
Emerging Market (international equity)	10.30%	5%
Real estate	6.35%	10%

Discount Rate

The discount rate used to measure the total pension asset was 7.96%, which was unchanged from the discount rate used in the prior year valuation as of September 30, 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

NOTE 9 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Town's Net Pension Asset to Changes in the Discount Rate

The following presents the net pension asset, calculated using the discount rate of 7.96%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.96%) or 1-percentage-point higher (8.96%) than the current rate:

	1% Decrease (6.96%)	Discount Rate (7.96%)	1% Increase (8.96%)
Net pension asset	$ (259,585)	$ (1,093,767)	$ (1,850,863)

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2025, the Town reported a net pension asset of $1,093,767. The net pension asset was measured as of September 30, 2024, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of October 1, 2023. For the fiscal year ended September 30, 2025, the Town recognized pension expense of approximately $2,088,821 as a result of changes in actuarial assumptions. In addition, the Town reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 29,936
Demographic experience	550,283	844,909
Town contributions subsequent to the measurement date	1,787,236	-
Total	$ 2,337,519	$ 874,845

The deferred outflows of resources totaling $1,787,236 resulting from Town contributions to the pension subsequent to the measurement date will be recognized as an increase or decrease of the net pension asset in the subsequent fiscal year. The additional amounts reported as deferred inflows and outflows of resources related to the pension will be recognized in pension expense over the remaining years as follows:

Fiscal year ending September 30,	Amount
2026	$ 400,009
2027	345,720
2028	(586,793)
2029	(483,498)
	$ (324,562)

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description and Benefits Provided

The Town provides an optional single-employer defined benefit post-employment (OPEB) healthcare plan to all regular employees of the Town who retire from active service and receive retirement benefits under the Town's pension plan. The plan allows its employees and their beneficiaries, at their own cost, to continue to obtain health, dental and other insurance benefits upon retirement. The benefits of the plan conform to Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Because the health insurance carrier charges a uniform premium rate regardless of age, the valuation reflects an implicit rate subsidy for retirees. For the year ended September 30, 2025, the assumed monthly implicit subsidy at age 62 was $450 per participant. Subsidies at other ages were developed using age-related morbidity assumptions and adjusted in future years based on projected healthcare cost trend rates. The implicit subsidy is assumed to cease upon attainment of age 65.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

At September 30, 2025, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	-
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	75
Total employees	75

Total OPEB Liability

The Town's total OPEB liability of $260,352 was measured as of September 30, 2025, and was determined by an actuarial valuation as of October 1, 2024.

Actuarial Assumptions and Other Inputs

The Town's total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.5%; rate used to discount all future benefit payments based on S&P Municipal Bond 20-year High Grade Index
Inflation	3.00%
Salary increases	3.00% per annum
Healthcare cost trend rates	Increases in healthcare costs are assumed to be 7.00% for the 2024/25 fiscal year graded down by 0.50% per year to 5.00% for the 2028/29 and later fiscal years.
Mortality basis	Sex-distinct rates set forth in the PUB-2010 Mortality Table (without income adjustments) for general and public safety employees, with full generational improvements in mortality using Scale MP-2020

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2024	$ 268,238
Changes for the year:	
Service cost	20,247
Interest	11,424
Demographic experience	(30,573)
Changes of assumptions or other inputs	802
Benefit payments	(9,786)
Net Change	(7,886)
Balance at September 30, 2025	$ 260,352

Sensitivity of the Town's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, calculated using the discount rate of 4.50%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.50%) or 1-percentage-point higher (5.50%) than the current rate:

	1% Decrease (3.50%)	Discount Rate (4.50%)	1% Increase (5.50%)
Total OPEB Liability	$ 283,189	$ 260,352	$ 240,050

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Town's Total OPEB Liability to Changes Healthcare Cost Trend Rates

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher (7.0% decreasing to 5.0%) than the current rate:

	1% Decrease	7.00% graded down to 5.00%	1% Increase
Total OPEB Liability	$ 234,902	$ 260,352	$ 289,681

Deferred Outflows/Inflows Related to OPEB

For the fiscal year ended September 30, 2025, the Town recognized OPEB expense of $7,848. At September 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Assumption changes	$ 7,931	$ 2,068
Demographic experience	3,945	24,880
Total	$ 11,876	$ 26,948

Amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense over the remaining years as follows:

Fiscal year ending September 30,	Amount
2026	$ 36
2027	(1,969)
2028	(5,544)
2029	(5,544)
2030	(2,051)
	$ (15,072)

NOTE 11 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

During the year ended September 30, 2025, the Town incurred expenditures in the General Fund that were in excess of the amounts appropriated:

	Budget	Actual	Variance
Information technology	$ 525,658	$ 526,566	$ (908)
Debt service	503,529	613,218	(109,689)

The overages were paid from available General Fund reserves.

NOTE 12 – ACCOUNTING CHANGES AND ERROR CORRECTIONS

For the year ended September 30, 2025, the Town implemented GASB Statement No. 101, *Compensated Absences*. As required by the standard, the Town recorded an adjustment to recognize a liability for compensated absences that existed as of October 1, 2024, including both earned but unused vacation leave and earned sick leave that met the recognition criteria under GASB 101. Prior to implementation, the Town's compensated absences liability did not include all leave balances required to be recognized under the new standard. The effect of recording these previously unrecognized compensated absences is reflected in the "Restatement – GASB 101 Implementation" column in the table below.

During fiscal year 2025, the Town established a separate Building Fund to account for revenues and expenditures associated with building code enforcement activities. In prior years, building permit fees and related building code enforcement revenues were reported within the General Fund but with unassigned fund balance. In accordance with Florida law, these resources are restricted to use for building code enforcement activities. To enhance financial reporting transparency and separately account for these activities, the Town established the Building Fund and reports the related accumulated resources as restricted fund balance.

This adjustment represents a correction of a prior-period classification error and had no effect on total governmental fund balances, governmental activities net position, cash, revenues, expenditures, or changes in fund balances previously reported. The adjustment affected only the presentation and classification of fund balance within the governmental funds.

The effect of the restatements on beginning fund balances and net position are summarized as follows:

Fund Balance Classification	Net position/fund balance 9/30/2024 as previously reported	Restatement - GASB 101 implementation	Restatement - correction of error	Net position/fund balance 9/30/2024 as restated/adjusted
Government-wide				
Governmental activities	$ 41,628,782	$ (608,322)	$ -	$ 41,020,460
Business-type activities	71,222,201	(169,234)	-	71,052,967
Total government-wide	$ 112,850,983	$ (777,556)	$ -	$ 112,073,427
Governmental funds				
Major funds:				
General Fund	$ 11,764,318	$ -	$ (9,981,858)	$ 1,782,460
Building Fund	-	-	9,981,858	9,981,858
Capital Projects Fund	11,359,164	-	-	11,359,164
Nonmajor funds	1,502,522	-	-	1,502,522
Total governmental funds	$ 24,626,004	$ -	$ -	$ 24,626,004
Proprietary funds				
Enterprise funds				
Major funds:				
Causeway Fund	$ 47,596,739	$ (108,590)	$ -	$ 47,488,149
Sewer Fund	6,446,122	(17,315)	-	6,428,807
Water Fund	4,162,152	(16,213)	-	4,145,939
Parking Fund	9,536,591	(13,062)	-	9,523,529
Solid Waste Fund	1,233,053	(8,591)	-	1,224,462
Nonmajor fund	2,247,544	(5,463)	-	2,242,081
Total enterprise funds	$ 71,222,201	$ (169,234)	$ -	$ 71,052,967

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF BAY HARBOR ISLANDS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Revenues:				
Property taxes	$ 6,319,702	$ 6,319,702	$ 6,451,245	$ 131,543
Utility taxes	643,185	643,185	730,527	87,342
Communications services tax	207,038	207,038	241,464	34,426
Franchise fees	501,625	501,625	550,636	49,011
Licenses and permits	105,000	105,000	146,957	41,957
Intergovernmental	1,298,444	1,298,444	1,337,830	39,386
Charges for services	34,500	34,500	57,954	23,454
Fines and forfeitures	251,500	251,500	94,412	(157,088)
Investment income	203,303	203,303	250,585	47,282
Grants	75,000	75,000	56,100	(18,900)
Other revenues	158,083	158,083	164,921	6,838
Total revenues	9,797,380	9,797,380	10,082,631	285,251
Expenditures:				
General government:				
Legislative	291,370	291,370	217,390	73,980
Executive	475,030	477,640	407,590	70,050
Clerk	344,143	344,143	342,836	1,307
Finance and administration	557,803	564,040	541,339	22,701
Information technology	480,658	525,658	526,566	(908)
Human resources	189,178	189,361	176,133	13,228
Legal counsel	300,000	300,000	226,196	73,804
Total general government	2,638,182	2,692,212	2,438,050	254,162
Public buildings	655,241	785,991	705,278	80,713
Public safety:				
Law enforcement	6,506,165	6,365,777	6,289,116	76,661
Code enforcement	198,256	198,256	125,757	72,499
Other public safety	164,369	164,369	160,999	3,370
Total public safety	6,868,790	6,728,402	6,575,872	152,530
Transportation:				
Streets and parkways	735,636	958,856	898,587	60,269
Public transit	273,000	273,000	265,324	7,676
Total transportation	1,008,636	1,231,856	1,163,911	67,945
Culture and recreation:				
Parks and recreation	608,511	610,471	602,110	8,361
Total culture and recreation	608,511	610,471	602,110	8,361
Debt service:				
Principal, interest, and fiscal charges	380,877	503,529	613,218	(109,689)
Total debt service	380,877	503,529	613,218	(109,689)
Total expenditures	12,160,237	12,552,461	12,098,439	454,022
Excess (deficiency) of revenues over (under) expenditures	(2,362,857)	(2,755,081)	(2,015,808)	739,273
Other Financing Sources (Uses):				
Leases issued	-	-	100,869	100,869
Transfers in	2,740,000	2,740,000	1,852,461	(887,539)
Transfers out	(377,143)	(377,143)	(315,111)	62,032
Appropriation of prior year fund balance	-	392,224	-	(392,224)
Total other financing sources (uses)	2,362,857	2,755,081	1,638,219	(1,116,862)
Net change in fund balance	$ -	$ -	(377,589)	$ (377,589)
Fund Balances, Beginning of Year, as Previously Reported			11,764,318	
Restatement - Correction of Error			(9,981,858)	
Fund Balances, Beginning of Year, as Adjusted			1,782,460	
Fund Balances, End of Year			$ 1,404,871	

TOWN OF BAY HARBOR ISLANDS, FLORIDA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - BUILDING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Positive (Negative)
Revenues:				
Licenses and permits	$ 3,263,589	$ 3,263,589	$ 5,431,641	$ 2,168,052
Charges for services	192,000	192,000	501,837	309,837
Fines and forfeitures	100,000	100,000	140,064	40,064
Investment income	107,000	107,000	-	(107,000)
Other revenues	32,806	32,806	6,976	(25,830)
Total revenues	3,695,395	3,695,395	6,080,518	2,385,123
Expenditures:				
Current:				
Public safety:				
Protective inspections	1,959,642	2,001,923	1,619,842	382,081
Total expenditures	1,959,642	2,001,923	1,619,842	382,081
Excess of revenues over expenditures	1,735,753	1,693,472	4,460,676	2,767,204
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,735,753)	(1,735,753)	(512,461)	1,223,292
Appropriation of prior year fund balance	-	42,281	-	(42,281.00)
Total other financing sources (uses)	(1,735,753)	(1,693,472)	(512,461)	1,181,011
Net changes in fund balance	$ -	$ -	3,948,215	$ 3,948,215
Fund Balances, Beginning of Year, as Previously Reported			-	
Restatement- Correction of Error			9,981,858	
Fund Balances, Beginning of Year, as Adjusted			9,981,858	
Fund Balances, End of Year			$ 13,930,073	

NOTE 1 – BUDGETS AND BUDGETARY ACCOUNTING

Annual appropriated budgets are prepared for the General Fund, the Building Fund, the Capital Projects Fund, the Park Impact Fees Fund (a nonmajor fund), and the Youth Development Fund (a nonmajor fund).

The Town follows these procedures in establishing the budgetary data reflected in the financial statements.

a) The Town Manager submits to the Council a proposed operating budget for the ensuing fiscal year. The operating budget includes appropriations and the means of financing them with an explanation regarding each expenditure that is not of a routine nature.

b) Public hearings are conducted to obtain taxpayer comments.

c) Prior to October 1, the budget is legally enacted through passage of an Ordinance.

d) The Town Council, by motion, may make supplemental appropriations for the year up to the amount of revenues in excess of those estimated or from available fund balance. During fiscal year ended September 30, 2025, there were supplemental appropriations in the General Fund of approximately $392,224.

e) Formal budgetary integration is employed as a management control device for the General Fund. Budget amendments were not material in relation to the original appropriation.

f) The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).

g) The Town Manager is authorized to transfer part or all of an encumbered appropriation balance within departments within a fund; however, any revisions that alter the total appropriations of any department or fund must be approved by the Town Council. Therefore, the legal level of control is at the department level.

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS

LAST TEN FISCAL YEARS

Fiscal Year, September 30:	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Measurement Date, September 30:	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 1,249,640	$ 1,226,481	$ 896,214	$ 739,288	$ 752,678	$ 786,299	$ 1,071,650	$ 1,026,849	$ 881,514	$ 758,824
Interest	2,111,334	1,879,080	1,595,591	1,553,006	1,530,252	1,850,596	1,279,001	1,180,877	983,968	923,439
Demographic experience	(1,191,183)	1,541,785	1,631,800	1,073,343	(642,790)	(477,459)	906,769	(328,634)	(435,741)	(100,632)
Changes of benefit terms	-	457,581	-	-	-	-	8,635.00	726,619.00	998,287	-
Changes of assumptions	-	-	-	(630,731)	-	(4,786,155)	-	-	1,864,465	-
Benefit payments, including refunds of member contributions	(819,689)	(2,193,131)	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)
Net change in total pension liability	1,350,102	2,911,796	3,244,660	405,000	298,262	(3,937,261)	1,577,782	1,711,961	3,227,958	909,769
Total pension liability - beginning	25,604,510	22,692,714	19,448,054	19,043,054	18,744,792	22,682,053	21,104,271	19,392,310	16,164,352	15,254,583
Total pension liability - ending (a)	$ 26,954,612	$ 25,604,510	$ 22,692,714	$ 19,448,054	$ 19,043,054	$ 18,744,792	$ 22,682,053	$ 21,104,271	$ 19,392,310	$ 16,164,352
Plan fiduciary net position										
Contributions - employer	$ 1,313,706	$ 585,810	$ 937,084	$ 1,050,617	$ 1,080,265	$ 1,004,663	$ 1,137,266	$ 874,490	$ 795,792	$ 674,623
Contributions - member	508,748	425,093	418,944	372,757	520,770	399,794	345,320	332,750	700,737	271,897
Net investment income (loss)	4,272,108	1,503,009	(3,315,562)	3,705,978	1,336,214	651,814	1,558,236	1,705,415	1,506,073	(248,856)
Benefit payments, including refunds of member contributions	(819,689)	(2,193,131)	(878,945)	(2,329,906)	(1,341,878)	(1,310,542)	(1,688,273)	(893,750)	(1,064,535)	(671,862)
Administrative expenses	(66,403)	(48,935)	(71,614)	(36,826)	(45,349)	(38,809)	(37,597)	(33,384)	(37,339)	(31,590)
Net change in plan fiduciary net position	5,208,470	271,846	(2,910,093)	2,762,620	1,550,022	706,920	1,314,952	1,985,521	1,900,728	(5,788)
Plan fiduciary net position - beginning	22,839,909	22,568,063	25,478,156	22,715,536	21,165,514	20,410,342	19,095,390	17,114,069	15,213,341	15,219,129
Plan fiduciary net position - ending (b)	$ 28,048,379	$ 22,839,909	$ 22,568,063	$ 25,478,156	$ 22,715,536	$ 21,117,262	$ 20,410,342	$ 19,099,590	$ 17,114,069	$ 15,213,341
Net pension liability (asset) - ending (a) - (b) *	$ (1,093,767)	$ 2,764,601	$ 124,651	$ (6,030,102)	$ (3,672,482)	$ (2,372,470)	$ 2,271,711	$ 2,004,681	$ 2,278,241	$ 951,011
Plan fiduciary net position as a percentage of the total pension liability (asset)	104.06%	89.20%	99.45%	131.01%	119.29%	112.66%	89.98%	90.50%	88.25%	94.12%
Covered payroll	5,971,560	5,759,046	4,409,406	4,525,693	4,402,353	4,645,071	4,363,540	4,362,247	3,962,146	3,822,792
Net pension liability (asset) as percentage of covered payroll	-18.32%	48.00%	2.83%	-133.24%	-83.42%	-51.07%	52.06%	45.96%	57.50%	24.88%

Note: Ending Plan Fiduciary Net Position for 2019 excludes 48,252 related to employer contributions that were accrued after the actuarial valuation was completed.

Note: Ending Plan Fiduciary Net Position for 2017 excludes 4,200 related to benefits payable to participants that was accrued after the actuarial valuation was completed.

Note: Plan Fiduciary Net Position for 2015 excludes $223,769 of Share Plan net position. In fiscal year 2016, Share Plan assets were transferred over to the Plan and are included in the 2016 employer contributions.

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

SCHEDULE OF TOWN CONTRIBUTIONS

LAST TEN FISCAL YEARS

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a % of Covered Payroll
2025	$ 1,698,253	$ 1,787,236	$ (88,983)	$ 6,317,529	28.29%
2024	1,552,233	1,313,706	238,527	5,971,560	22.00%
2023	402,731	585,810	(183,079)	5,759,046	10.17%
2022	834,338	937,084	(102,746)	4,409,406	21.25%
2021	1,001,827	1,050,617	(48,790)	4,525,693	23.21%
2020	1,022,793	1,128,517	(105,724)	4,402,353	25.63%
2019	1,001,806	1,004,663	(2,857)	4,645,071	21.63%
2018	1,086,156	1,137,266	(51,110)	4,363,540	26.06%
2017	816,415	874,490	(58,075)	4,362,247	20.05%
2016	795,792	795,792	-	3,962,146	20.08%

Significant Methods And Assumptions Used To Determine Contribution Rates For Fiscal Year Ended September 30, 2025:

Valuation date:	10/1/2024
Note	Actuarially determined contribution rates are calculated as of September 30, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	Ten years
Asset valuation method	Market value
Inflation	3.00%
Salary increases	4.00%
Investment rate of return	7.96%
Retirement age	Retirement is assumed to occur at the earliest of' (i) age 50 with at least 20 years of service (police officers) or age 52 with at least 20 years of service (general employees); (ii) age 55 with at least 10 years of service; or (iii) age 65.
Mortality	For general employees prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Employee Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for general employees after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Below Median Healthy Retiree Mortality Table for general employees, with full generational improvements in mortality using Scale MP-2018 and with male ages set back one year; for police officers prior to retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Employee Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; for non-disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Healthy Retiree Mortality Table for public safety employees (Below Median table for males), with full generational improvements in mortality using Scale MP-2018 and with ages set forward one year; and for disabled police officers after retirement, sex-distinct rates set forth in the PUB-2010 Headcount-Weighted Disabled Retiree Mortality Table (80% general employee rates plus 20% public safety employee rates), with full generational improvements in mortality using Scale MP-2018

TOWN OF BAY HARBOR ISLANDS EMPLOYEES' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

SCHEDULE OF INVESTMENT RETURNS

LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	3.76%	18.85%	7.05%	-13.18%	16.99%	6.59%	3.27%	8.49%	10.16%	10.07%

TOWN OF BAY HARBOR ISLANDS, FLORIDA

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS OTHER POST-EMPLOYMENT BENEFITS (OPEB)

LAST TEN FISCAL YEARS

Measurement Date, September 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:								
Service cost	$ 20,247	$ 14,321	$ 12,564	$ 11,774	$ 17,062	$ 19,214	$ 15,299	$ 11,358
Interest	11,424	10,254	11,824	13,206	7,489	5,695	8,089	7,880
Differences between expected and actual experience	(30,573.00)	-	11,160	-	12,001	-	4,510	-
Assumption changes	802	16,152	(5,854)	(45,603)	(49,688)	31,584	22,472	-
Benefit payments	(9,786)	(21,267)	(18,107)	(14,381)	(11,515)	(13,028)	(15,099)	(12,372)
Net change in total OPEB liability	(7,886)	19,460	11,587	(35,004)	(24,651)	43,465	35,271	6,866
Total OPEB liability - beginning	268,238	248,778	237,191	272,195	296,846	253,381	218,110	211,244
Total OPEB liability - ending	$ 260,352	$ 268,238	$ 248,778	$ 237,191	$ 272,195	$ 296,846	$ 253,381	$ 218,110
Town's covered-employee payroll	$ 6,317,529	$ 5,759,046	$ 5,759,046	$ 4,525,693	$ 4,525,693	$ 4,263,252	$ 4,263,252	$ 4,363,540
Total OPEB liability as a percentage of covered-employee payroll	4.12%	4.66%	4.32%	5.24%	6.01%	6.96%	5.94%	5.00%

This schedule is presented as required by accounting principles generally accepted in the United States of America, however, until a full 10-year trend is compiled, information is presented for those years available.

Note: The OPEB Plan is not accounted for as a trust fund since an irrevocable trust has not been established to fund the OPEB Plan. As such, the OPEB Plan has no assets and does not issue a separate financial report.

COMBINING FINANCIAL STATEMENTS AND SCHEDULES

TOWN OF BAY HARBOR ISLANDS, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	Special Revenue Funds			Total
	Park Impact Fees Fund	Police Forfeitures Fund	Youth Development Fund	Total Nonmajor Governmental Funds
Assets:				
Cash and cash equivalents	$ 1,252,934	$ 9,832	$ -	$ 1,262,766
Due from other funds	142,088	-	-	142,088
Total assets	$ 1,395,022	$ 9,832	$ -	$ 1,404,854
Liabilities:				
Accounts payable and accrued liabilities	$ -	$ -	$ 10,398	$ 10,398
Due to other funds	-	939	73,265	74,204
Total liabilities	-	939	83,663	84,602
Fund Balances:				
Restricted for:				
Law enforcement	-	8,893	-	8,893
Park improvements	1,395,022	-	-	1,395,022
Unassigned	-	-	(83,663)	(83,663)
Total fund balances	1,395,022	8,893	(83,663)	1,320,252
Total liabilities and fund balances	$ 1,395,022	$ 9,832	$ -	$ 1,404,854

TOWN OF BAY HARBOR ISLANDS, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Special Revenue			Total
	Park Impact Fees Fund	Police Forfeitures Fund	Youth Development Fund	Total Nonmajor Governmental Funds
Revenues:				
Impact fees	$ 30,882	$ -	$ -	$ 30,882
Grants	-	-	380,519	380,519
Other revenues	-	-	34,800	34,800
Total revenues	30,882	-	415,319	446,201
Expenditures:				
Current:				
Public safety	-	939	-	939
Culture and recreation	-	-	810,228	810,228
Capital outlay	132,415	-	-	132,415
Total expenditures	132,415	939	810,228	943,582
Deficiency of revenue under expenditures	(101,533)	(939)	(394,909)	(497,381)
Other Financing Sources:				
Transfers in	-	-	315,111	315,111
Total other financing sources	-	-	315,111	315,111
Net changes in fund balances	(101,533)	(939)	(79,798)	(182,270)
Fund Balances, Beginning of Year	1,496,555	9,832	(3,865)	1,502,522
Fund Balances, End of Year	$ 1,395,022	$ 8,893	$ (83,663)	$ 1,320,252

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
PARK IMPACT FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance With Final Budget Positive (Negative)**
Revenues:				
Impact fees	$ -	$ -	$ 30,882	$ 30,882
Total revenues	-	-	30,882	30,882
Expenditures:				
Capital outlay	216,000	216,000	132,415	83,585
Total expenditures	216,000	216,000	132,415	83,585
Excess (deficiency) of revenues over (under) expenditures	(216,000)	(216,000)	(101,533)	114,467
Other Financing Sources (Uses):				
Transfers out	(30,130)	(30,130)	-	30,130
Appropriation of prior year fund balance	246,130	246,130	-	(246,130.00)
Total other financing sources (uses)	216,000	216,000	-	(216,000)
Net change in fund balance	$ -	$ -	(101,533)	$ (101,533)
Fund balance, beginning			1,496,555	
Fund balance, ending			$ 1,395,022	

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
YOUTH DEVELOPMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	**Final**	**Amounts**	**(Negative)**
Revenues:				
Grants	$ 320,000	$ 390,000	$ 380,519	$ (9,481)
Other revenues	-	-	34,800	34,800
Total revenues	320,000	390,000	415,319	25,319
Expenditures:				
Current:				
Culture and recreation	747,143	817,143	810,228	6,915
Total expenditures	747,143	817,143	810,228	6,915
Excess (deficiency) of revenues over (under) expenditures	(427,143)	(427,143)	(394,909)	32,234
Other Financing Sources:				
Transfers in	377,143	377,143	315,111	(62,032)
Appropriation of prior year fund balance	50,000	50,000	-	(50,000)
Total other financing sources	427,143	427,143	315,111	(112,032)
Net change in fund balance	$ -	$ -	(79,798)	$ (79,798)
Fund balance, beginning			(3,865)	
Fund balance, ending			$ (83,663)	

TOWN OF BAY HARBOR ISLANDS, FLORIDA
BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Investment income	$ 258,550	$ 258,550	$ 304,545	$ 45,995
Total revenues	258,550	258,550	304,545	45,995
Expenditures:				
Current:				
General government	-	182,000	183,577	(1,577)
Capital outlay	2,017,444	1,983,758	605,508	1,378,250
Debt Service:				
Principal	-	-	129,569	(129,569)
Interest	-	-	14,910	(14,910)
Total expenditures	2,017,444	2,165,758	933,564	1,232,194
Excess (deficiency) of revenues over (under) expenditures	(1,758,894)	(1,907,208)	(629,019)	1,278,189
Other Financing Sources:				
Leases issued	-	-	76,736	76,736
Transfers in	365,883	365,883	-	(365,883)
Appropriation of prior year fund balance	1,393,011	1,541,325	-	(1,541,325)
Total other financing sources	1,758,894	1,907,208	76,736	(1,830,472)
Net change in fund balance	$ -	$ -	(552,283)	$ (552,283)
Fund balance, beginning			11,359,164	
Fund balance, ending			$ 10,806,881	

STATISTICAL SECTION

STATISTICAL SECTION

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2025

This part of the Town of Bay Harbor Islands' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

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Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	**71-76**
Revenue Capacity These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.	**77-81**
Debt Capacity These schedules contain information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in future.	**82-85**
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.	**86**
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	**87-89**

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant fiscal year

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 1
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025
Governmental activities:										
Net investment in capital assets	$ 14,949,552	$ 15,529,419	$ 15,161,744	$ 15,378,550	$ 15,104,245	$ 14,986,615	$ 15,949,213	$ 15,664,059	$ 16,230,001	$ 16,065,159
Restricted	7,487	67,839	67,790	115,065	1,618,790	2,455,206	4,555,906	1,409,246	11,552,670	16,062,464
Unrestricted	8,259,502	8,245,522	7,979,399	7,810,483	8,615,653	11,281,338	14,163,927	21,769,286	13,486,111	11,369,090
Total governmental activities net position	$ 23,216,541	$ 23,842,780	$ 23,208,933	$ 23,304,098	$ 25,338,688	$ 28,723,159	$ 34,669,046	$ 38,842,591	$ 41,628,782	$ 43,496,713
Business-type activities:										
Net investment in capital assets	$ 23,524,318	$ 27,851,167	$ 27,475,399	$ 27,270,755	$ 27,772,967	$ 28,185,137	$ 28,306,127	$ 31,004,653	$ 38,786,568	$ 39,299,018
Restricted	86,092	89,043	91,993	94,943	1,016,057	1,331,064	2,183,635	--	--	429,616
Unrestricted	7,262,551	7,568,819	12,161,608	16,974,083	19,895,383	24,346,318	27,599,698	33,196,710	32,435,633	39,827,270
Total business-type activities net position	$ 30,872,961	$ 35,509,029	$ 39,729,000	$ 44,339,781	$ 48,684,407	$ 53,862,519	$ 58,089,460	$ 64,201,363	$ 71,222,201	$ 79,555,904
Primary government										
Net investment in capital assets	$ 38,473,870	$ 43,380,586	$ 42,637,143	$ 42,649,305	$ 42,877,212	$ 43,171,752	$ 44,255,340	$ 46,668,712	$ 55,016,569	$ 55,364,177
Restricted	93,579	156,882	159,783	210,008	2,634,847	3,786,270	6,739,541	1,409,246	1,570,812	16,492,080
Unrestricted	15,522,053	15,814,341	20,141,007	24,784,566	28,511,036	35,627,656	41,763,625	54,965,996	56,263,602	51,196,360
Total primary government net position	$ 54,089,502	$ 59,351,809	$ 62,937,933	$ 67,643,879	$ 74,023,095	$ 82,585,678	$ 92,758,506	$ 103,043,954	$ 112,850,983	$ 123,052,617

* Restated

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 2
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses:										
Governmental activities:										
General government	$ 1,538,406	$ 1,537,536	$ 1,780,209	$ 2,318,792	$ 1,768,769	$ 1,486,733	$ 2,166,259	$ 3,232,678	$ 4,256,803	$ 3,292,273
Public safety	4,586,153	5,044,475	5,330,461	5,058,762	4,136,294	4,327,810	4,740,370	6,990,131	8,916,488	9,365,977
Transportation	1,092,928	1,285,291	1,295,889	1,126,025	1,062,366	1,049,872	1,130,853	1,182,018	1,456,465	1,613,319
Culture and recreation	874,555	1,127,501	1,459,979	1,470,681	1,230,141	1,274,188	1,467,405	1,892,160	2,856,978	1,820,274
Interest on long-term debt	291,717	186,048	185,472	176,656	167,388	162,482	156,359	228,648	93,945	162,533
Total governmental activities expenses	8,383,759	9,180,851	10,052,010	10,150,916	8,364,958	8,301,085	9,661,246	13,525,635	17,580,679	16,254,376
Business-type activities:										
Causeway	3,721,789	3,550,807	4,735,956	4,467,392	4,053,303	4,023,653	4,713,142	5,607,322	6,445,697	5,752,456
Sewer	1,440,701	1,547,994	1,477,308	1,640,744	1,585,259	1,773,259	1,797,116	2,115,617	2,380,494	2,274,243
Water	914,630	1,017,627	1,209,085	1,115,795	974,265	1,152,084	979,874	1,185,523	1,572,006	1,680,850
Parking	610,508	640,691	664,496	712,546	619,454	595,505	641,145	821,203	1,048,839	1,172,303
Solid waste	763,258	736,001	717,272	744,219	751,989	787,885	841,525	905,360	1,021,107	1,098,066
Stormwater	236,869	196,640	198,933	238,866	229,718	224,338	234,816	256,485	397,311	493,753
Total business-type activities expenses	7,687,755	7,689,760	9,003,050	8,919,562	8,213,988	8,556,724	9,207,618	10,891,510	12,865,454	12,471,671
Total primary government expenses	16,071,514	16,870,611	19,055,060	19,070,478	16,578,946	16,857,809	18,868,864	24,417,145	30,446,133	28,726,047
Program revenues:										
Governmental activities:										
Charges for services:										
General government	2,535,629	1,883,013	766,835	967,692	1,320,142	898,344	3,665,129	6,091,185	4,054,126	760,525
Public safety	112,103	115,543	168,887	159,708	127,152	50,449	536,467	245,114	5,088,456	6,088,226
Transportation	1,145	4,750	1,307	--	--	--	--	--	--	--
Culture and recreation	188,935	220,142	269,644	285,879	43,536	163,653	550,303	234,409	147,504	31,138
Operating grants and contributions	41,440	42,825	333,051	48,252	70,000	1,696,222	1,505,556	88,054	965,098	447,076
Capital grants and contributions	254,549	254,603	296,068	314,849	267,579	325,861	399,937	433,188	121,484	--
Total governmental activities program revenues	3,133,801	2,520,876	1,835,792	1,776,380	1,828,409	3,134,529	6,657,392	7,091,950	10,376,668	7,326,965
Business-type activities:										
Charges for services:										
Causeway	6,343,875	8,627,495	9,549,066	9,623,061	8,061,982	9,181,817	9,177,878	11,125,875	11,604,453	12,768,105
Sewer	2,013,613	2,253,963	2,382,027	2,375,878	2,323,675	2,460,805	2,709,892	2,668,706	2,883,785	2,581,969
Water	1,154,818	1,219,765	1,278,795	1,281,424	1,227,971	1,320,639	1,427,004	1,326,903	1,526,135	1,561,710
Parking	673,472	738,302	716,872	688,309	438,110	748,014	877,458	2,041,524	1,829,307	1,526,486
Solid waste	698,570	755,226	795,676	815,242	814,680	895,268	1,066,194	1,139,739	1,082,028	1,009,629
Stormwater	210,169	208,544	217,243	218,863	216,919	223,655	263,340	615,865	678,443	607,350
Capital grants and contributions	514,988	--	--	--	918,553	498,642	--	--	240,692	285,891
Total business-type activities program revenues	11,609,505	13,803,295	14,939,679	15,002,777	14,001,890	15,328,840	15,521,766	18,918,612	19,844,843	20,341,140
Total primary government program revenues	$ 14,743,306	$ 16,324,171	$ 16,775,471	$ 16,779,157	$ 15,830,299	$ 18,463,369	$ 22,179,158	$ 26,010,562	$ 30,221,511	$ 27,668,105

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 2 (CONTINUED)
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (expense) revenue:										
Governmental activities	$ (5,249,958)	$ (6,659,975)	$ (8,216,218)	$ (8,374,536)	$ (6,536,549)	$ (5,166,556)	$ (3,003,854)	$ (6,433,685)	$ (7,204,011)	$ (8,927,411)
Business-type activities	3,921,750	6,113,535	5,936,629	6,083,215	5,787,902	6,772,116	6,314,148	8,027,102	6,979,389	7,869,469
	$ (1,328,208)	$ (546,440)	$ (2,279,589)	$ (2,291,321)	$ (748,647)	$ 1,605,560	$ 3,310,294	$ 1,593,417	$ (224,622)	$ (1,057,942)
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	$ 3,429,753	$ 3,760,854	$ 3,963,786	$ 4,414,128	$ 4,648,810	$ 4,760,975	$ 4,766,371	$ 5,023,811	$ 5,871,196	$ 6,451,245
Franchise fees based on gross receipts	350,674	358,731	371,041	387,317	380,091	401,000	466,503	512,667	498,556	550,636
Utility taxes	455,606	465,565	496,433	512,875	527,415	547,547	572,296	649,486	668,603	730,527
Communications services tax	221,442	203,152	203,345	186,454	174,600	165,492	174,894	200,048	217,871	241,464
Impact fees	--	--	--	--	--	--	48,038	740,190	209,308	30,882
Unrestricted intergovernmental revenue	1,175,138	660,337	652,061	674,423	703,078	785,697	940,809	921,608	886,297	1,264,453
Unrestricted investment earnings (losses)	68,011	(7,719)	(28,308)	202,361	182,684	(23,607)	(313,408)	48,751	387,197	555,130
Miscellaneous	74,354	57,681	51,928	94,513	73,619	80,094	209,178	126,609	126,174	239,327
Transfers	1,654,850	1,787,613	1,926,674	1,997,630	1,880,842	1,833,829	2,085,060	2,384,060	1,125,000	1,340,000
Total governmental activities	7,429,828	7,286,214	7,636,960	8,469,701	8,571,139	8,551,027	8,949,741	10,607,230	9,990,202	11,403,664
Business-type activities:										
Impact fees	--	--	--	--	--	--	--	--	79,803	36,905
Unrestricted investment earnings (losses)	94,084	(8,845)	(33,214)	251,344	210,867	(27,109)	(363,910)	56,273	729,655	1,524,631
Miscellaneous	355,331	318,991	262,885	273,852	226,699	266,934	361,763	412,588	356,991	411,932
Transfers	(1,654,850)	(1,787,613)	(1,926,674)	(1,997,630)	(1,880,842)	(1,833,829)	(2,085,060)	(2,384,060)	(1,125,000)	(1,340,000)
Total business-type activities	(1,205,435)	(1,477,467)	(1,697,003)	(1,472,434)	(1,443,276)	(1,594,004)	(2,087,207)	(1,915,199)	41,449	633,468
Change in net position:										
Governmental activities	2,179,870	626,239	(579,258)	95,165	2,034,590	3,384,471	5,945,887	4,173,545	2,786,191	2,476,253
Business-type activities	2,716,315	4,636,068	4,239,626	4,610,781	4,344,626	5,178,112	4,226,941	6,111,903	7,020,838	8,502,937
	$ 4,896,185	$ 5,262,307	$ 3,660,368	$ 4,705,946	$ 6,379,216	$ 8,562,583	$ 10,172,828	$ 10,285,448	$ 9,807,029	$ 10,979,190

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 3
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025
General Fund:										
Non-spendable	$ 25,450	$ 78,554	$ 38,792	$ 46,529	$ 112,891	$ 46,503	$ 21,570	$ 33,104	$ 279,654	$ 411,054
Restricted	7,487	67,839	67,790	115,065	164,534	113,788	112,617	112,167	64,425	64,325
Unassigned	8,089,298	8,653,794	8,851,733	9,081,019	10,173,601	11,886,220	14,709,232	19,099,513	1,438,381	929,492
Total General Fund	$ 8,122,235	$ 8,800,187	$ 8,958,315	$ 9,242,613	$ 10,451,026	$ 12,046,511	$ 14,843,419	$ 19,244,784	$ 11,764,318	$ 1,404,871
All other governmental funds:										
Restricted:										
Florida building code enforcement	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ --	$ 9,981,858	$ 13,930,073
Law enforcement	--	--	--	--	--	--	44,153	9,832	9,832	8,893
Park impact	--	--	--	--	--	--	552,669	1,287,247	1,496,555	1,395,022
Assigned to:										
Capital projects fund	160,689	160,689	160,689	160,689	160,689	160,690	584,474	207,474	11,359,164	10,806,881
Unassigned (deficit)	--	--	--	--	--	--	--	--	(3,865)	(83,663)
Total all other governmental funds:	$ 160,689	$ 160,689	$ 160,689	$ 160,689	$ 160,689	$ 160,690	$ 1,181,296	$ 1,504,553	$ 12,861,686	$ 26,057,206

* Restated

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 4
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Taxes	$ 4,106,801	$ 4,429,571	$ 4,663,564	$ 5,113,457	$ 5,350,825	$ 5,474,014	$ 5,513,561	$ 5,873,345	$ 6,757,670	$ 6,451,245
Franchise fees	350,674	358,731	371,041	387,317	380,091	401,000	466,503	512,667	498,556	1,522,627
Licenses and permits	1,051,339	629,233	761,815	967,672	1,319,112	898,314	3,663,084	5,701,135	4,806,615	5,578,598
Intergovernmental	971,127	922,765	989,502	1,004,290	971,167	1,100,016	1,340,320	1,352,848	1,347,640	1,337,830
Transfer development right fees	1,484,250	1,253,750	5,000	--	1,000	--	2,000	390,000	3,431,000	--
Impact fees	--	--	--	--	--	--	48,038	740,190	209,308	30,882
Charges for services	191,929	224,723	273,828	290,547	47,004	163,901	550,348	234,459	590,445	559,791
Fines and forfeitures	109,149	110,992	164,723	155,060	123,714	50,231	536,467	245,114	458,429	234,476
Investment earnings (losses)	68,011	(7,719)	(28,308)	202,361	182,684	(23,607)	(313,408)	48,751	387,197	555,130
Grants	500,000	--	288,088	--	70,000	1,696,222	1,505,556	88,054	670,527	436,619
Miscellaneous	74,354	57,681	51,928	84,413	61,168	80,094	209,178	126,609	82,690	206,697
Total revenues	8,907,634	7,979,727	7,541,181	8,205,117	8,506,765	9,840,185	13,521,647	15,313,172	19,240,077	16,913,895
Expenditures:										
General government	1,387,402	1,339,307	1,591,468	1,910,436	1,827,792	1,891,677	2,278,502	2,868,731	3,790,043	3,230,223
Public safety	4,441,408	4,684,294	4,998,502	4,862,875	4,952,409	5,609,588	5,824,011	6,249,310	7,235,497	7,799,419
Transportation	722,403	880,270	808,231	639,646	603,046	574,748	648,935	744,834	894,808	1,126,929
Culture and recreation	750,181	905,788	1,209,433	1,210,888	972,097	1,000,662	1,210,266	1,635,714	2,120,591	1,412,338
Capital outlay	2,643,918	842,941	201,442	802,419	328,895	494,522	1,642,592	1,227,639	2,642,071	1,026,361
Debt service:										
Principal payments	295,000	304,000	312,000	319,000	331,000	338,000	423,979	603,300	819,721	802,327
Interest and debt costs	344,248	137,538	189,958	183,285	176,407	169,334	163,247	235,387	108,593	197,830
Total expenditures	10,584,560	9,094,138	9,311,034	9,928,549	9,191,646	10,078,531	12,191,532	13,564,915	17,611,324	15,595,427
Excess (deficiency) of revenues over (under) expenditures	(1,676,926)	(1,114,411)	(1,769,853)	(1,723,432)	(684,881)	(238,346)	1,330,115	1,748,257	1,628,753	1,318,468
Other financing sources (uses):										
Leases issued	--	--	--	--	--	--	402,339	353,655	718,893	177,605
Subscription arrangements issued	--	--	--	--	--	--	--	238,650	404,021	--
Transfers in	1,654,850	1,787,613	1,926,674	1,997,630	1,880,842	2,043,829	3,593,442	2,726,060	10,788,614	2,167,572
Transfers out	--	--	--	--	--	(210,000)	(1,508,382)	(342,000)	(9,663,614)	(827,572)
Sale of capital assets	1,145	4,750	1,307	10,100	12,451	--	--	--	--	--
Bonds and notes issued	3,218,081	--	--	--	--	--	--	--	--	--
Payment to bond escrow agent	(3,118,646)	--	--	--	--	--	--	--	--	--
Total other financing sources	1,755,430	1,792,363	1,927,981	2,007,730	1,893,293	1,833,829	2,487,399	2,976,365	2,247,914	1,517,605
Net change in fund balances	$ 78,504	$ 677,952	$ 158,128	$ 284,298	$ 1,208,412	$ 1,595,483	$ 3,817,514	$ 4,724,622	$ 3,876,667	$ 2,836,073
Debt service as a percentage of noncapital expenditures	8.1%	5.4%	5.5%	5.5%	5.7%	5.3%	5.6%	6.8%	6.2%	6.9%

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 5
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government	$ 2,535,629	$ 1,883,013	$ 1,054,923	$ 967,692	$ 1,320,142	$ 898,344	$ 3,665,129	$ 6,091,185	$ 4,054,126	$ 766,525
Public safety	153,543	158,368	213,850	207,960	197,152	1,746,671	2,042,023	333,168	5,277,757	6,088,226
Transportation	255,694	259,353	320,372	314,849	267,579	325,861	399,937	433,188	544,536	60,557
Culture and recreation	188,935	220,142	269,644	285,879	43,536	163,653	550,303	234,409	500,249	411,657
Total governmental activities	3,133,801	2,520,876	1,858,789	1,776,380	1,828,409	3,134,529	6,657,392	7,091,950	10,376,668	7,326,965
Business-type activities:										
Causeway	6,858,863	8,627,495	9,549,066	9,623,061	8,980,535	9,430,459	9,177,878	11,125,875	11,769,071	12,858,488
Sewer	2,013,613	2,253,963	2,382,027	2,375,878	2,323,675	2,710,805	2,709,892	2,668,706	2,883,785	2,645,344
Water	1,154,818	1,219,765	1,278,795	1,281,424	1,227,971	1,320,639	1,427,004	1,326,903	1,526,135	1,561,710
Parking	673,472	738,302	716,872	688,309	438,110	748,014	877,458	2,041,524	1,829,307	1,526,486
Solid waste	698,570	755,226	795,676	815,242	814,680	895,268	1,066,194	1,139,739	1,082,028	1,009,629
Stormwater	210,169	208,544	217,243	218,863	216,919	223,655	263,340	615,865	754,517	739,483
Total business-type activities	11,609,505	13,803,295	14,939,679	15,002,777	14,001,890	15,328,840	15,521,766	18,918,612	19,844,843	20,341,140
Total primary government	$ 14,743,306	$ 16,324,171	$ 16,798,468	$ 16,779,157	$ 15,830,299	$ 18,463,369	$ 22,179,158	$ 26,010,562	$ 30,221,511	$ 27,668,105

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 6
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year*	Real Property	Personal Property	Total Assessed Value	Exemptions		Net Taxable Value	Direct Millage	Total Direct & Overlapping Millage
				Real	Personal			
2016	$ 1,210,203,009	$ 14,982,614	$ 1,225,185,623	$ 444,372,802	$ 2,746,997	$ 778,065,824	4.5500	20.5953
2017	1,444,251,699	14,698,252	1,458,949,951	576,225,941	2,612,688	880,111,322	4.4000	20.3638
2018	1,720,875,185	15,249,716	1,736,124,901	702,001,113	2,536,046	1,031,587,742	3.9995	19.5819
2019	1,862,399,237	17,183,700	1,879,582,937	662,500,517	2,344,091	1,214,738,329	3.7199	19.0560
2020	1,933,106,853	18,943,845	1,952,050,698	615,865,109	2,309,588	1,333,876,001	3.6245	19.4016
2021	1,888,062,852	22,451,974	1,910,514,826	529,855,176	2,437,950	1,378,221,700	3.6245	19.3533
2022	1,798,336,685	20,316,884	1,818,653,569	441,971,417	2,197,760	1,374,484,392	3.5900	19.2673
2023	1,770,466,671	23,098,903	1,793,565,574	158,526,959	2,255,650	1,632,782,965	3.1728	18.3071
2024	2,060,914,694	27,146,613	2,088,061,307	170,114,606	2,423,429	1,915,523,272	3.1728	18.3179
2025	2,258,807,693	28,865,544	2,287,673,237	182,193,360	2,466,690	2,103,013,187	3.1728	18.2125

*Year refers to the fiscal year which is funded by taxes levied upon the listed assessments. Each fiscal year's tax roll is as of January 1 of the previous year.

SOURCE: Miami-Dade County Property Appraiser's Office

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 7
PROPERTY TAX RATES (per $1,000)
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

	Direct Rate	Overlapping Rates			State Special Districts		
Year*	Bay Harbor Islands Operating	Miami-Dade County	Miami-Dade County Schools	Miami-Dade County Districts**	Florida Inland Navigation	South Florida Water Management	Total
2016	4.5500	5.1169	7.6120	2.9293	0.0320	0.3551	20.5953
2017	4.4000	5.0669	7.3220	3.2122	0.0320	0.3307	20.3638
2018	3.9995	5.0669	6.9940	3.1795	0.0320	0.3100	19.5819
2019	3.7199	5.1313	6.7330	3.1462	0.0320	0.2936	19.0560
2020	3.6245	5.1449	7.1480	3.1727	0.0320	0.2795	19.4016
2021	3.6245	5.1449	7.1290	3.1554	0.0320	0.2675	19.3533
2022	3.5900	5.1744	7.0090	3.2047	0.0320	0.2572	19.2673
2023	3.1728	5.1055	6.5890	3.1777	0.0320	0.2301	18.3071
2024	3.1728	5.0095	6.6990	3.1777	0.0288	0.2301	18.3179
2025	3.1728	5.0011	6.6020	3.1777	0.0288	0.2301	18.2125

SOURCE: Miami-Dade County Property Appraiser's Office

*Year refers to the fiscal year which is funded by taxes levied upon properties as assessed effective January 1 of the previous year.

** This represents Fire and Rescue, Library and the Children's Trust.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 8
PRINCIPAL PROPERTY TAXPAYERS
REAL ESTATE AD VALOREM TAXES
CURRENT AND NINE YEARS AGO

Year: 2025

Parcel Owner		Taxable Valuation	Percentage of Total Taxable Valuation*
Bay Harbor Islands	$	27,568,120	1.31%
1177 Bay Harbor Islands LLC		20,709,375	0.98%
Matthew J Bullock Trust		18,433,100	0.88%
Lindsay Keats Corp		15,600,000	0.74%
Bay Harbor Hotel LLC		13,656,764	0.65%
Lc Altair LLC		12,707,325	0.60%
Casa J LLC		12,681,515	0.60%
Antonio K Russell Trust		12,406,566	0.59%
Fued Elias Sadala Jr		12,081,309	0.57%
9955 Bay Harbor Development LLC		12,026,155	0.57%
	$	157,870,229	7.51%

*Based on Appraisers 2024 Municipal Tax Roll.

Year: 2016

Parcel Owner		Taxable Valuation	Percentage of Total Taxable Valuation**
1170 LLC	$	6,105,000	0.80%
Marie Lerner		5,478,649	0.72%
Sawmill LLC		5,353,609	0.70%
Matthew and Natalia Storm		5,313,544	0.69%
Betty Leider Trust		5,209,803	0.68%
PMP Family LLC		4,840,673	0.63%
Jose Cojab		4,647,170	0.61%
Spencer Merinoff		4,287,151	0.56%
Robert and Carole Saland		4,005,209	0.52%
1108 Concourse LLC		3,983,107	0.52%
	$	49,223,915	6.43%

**Based on Appraisers 2015 Municipal Tax Roll.

SOURCE: Miami-Dade County Property Appraiser's Office

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 9
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Taxes Levied	Collected within the Fiscal Year of the Levy		Collections of Previous Years' Levies	Total Collections	Total Collections as Percentage of Taxes Levied
		Amount	Percentage of Levy			
2016	$ 3,540,199	$ 3,356,009	94.8%	$ 73,744	$ 3,429,753	96.9%
2017	3,872,490	3,538,702	91.4%	222,152	3,760,854	97.1%
2018	4,125,835	3,730,282	90.4%	233,504	3,963,786	96.1%
2019	4,518,705	4,136,569	91.5%	277,559	4,414,128	97.7%
2020	4,834,307	4,279,098	88.5%	369,712	4,648,810	96.2%
2021	4,995,365	4,419,701	88.5%	341,274	4,760,975	95.3%
2022	4,636,414	4,653,419	100.4%	102,114	4,755,533	102.6%
2023	5,180,558	4,973,159	96.0%	45,199	5,018,358	96.9%
2024	6,043,982	5,871,196	97.1%	45,674	5,916,870	97.9%
2025	6,652,318	6,451,245	97.0%	46,225	6,497,470	97.7%

Source: Miami-Dade County Property Appraiser's Office, except for Taxes Levied from Town Finance Department.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 10
CAUSEWAY TOLL REVENUE
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total traffic	7,917,781	7,779,309	7,992,743	7,939,642	6,647,870	7,419,637	8,141,885	8,799,455	9,316,848	9,583,818
Toll revenues:										
Cash tolls	$ 5,947,747	$ 8,212,150	$ 9,082,874	$ 9,128,459	$ 7,557,782	$ 8,733,262	$ 9,441,893	$ 11,671,478	$ 11,970,942	$ 12,279,930
Commuter/annual pass	395,428	415,345	466,192	494,602	504,200	448,555	486,547	440,917	445,368	488,175
Total toll revenue	$ 6,343,175	$ 8,627,495	$ 9,549,066	$ 9,623,061	$ 8,061,982	$ 9,181,817	$ 9,928,440	$ 12,112,395	$ 12,416,310	$ 12,768,105
Average yield per vehicle	$ 0.801	$ 1.109	$ 1.195	$ 1.212	$ 1.213	$ 1.238	$ 1.219	$ 1.376	$ 1.333	$ 1.332
Toll rates:										
Cash toll (Class 1)	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 2.00
Annual pass	$ 250.00	$ 300.00	$ 300.00	$ 300.00	$ 300.00	$ 300.00	$ 300.00	$ 350.00	$ 350.00	$ 350.00

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 11
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

	Business-Type Activities			Governmental Activities				Total	Percentage of	
Fiscal Year	Promissory Notes	State Revolving Loan	Lease Obligations	Refunding Note Series 2012	Revenue Bonds Series 2016	Lease Obligations	Subscription Liability	Primary Government	Actual Property Value (1)	Per Capita (2)
2016	$ 15,532,000	$ 346,623	$ --	$ 4,055,000	$ 3,218,081	$ --	$ --	$ 23,151,704	2.98%	$ 3,836
2017	14,431,000	281,462	--	3,751,000	3,210,253	--	--	21,673,715	2.46%	3,627
2018	13,302,000	214,284	--	3,444,000	3,197,425	--	--	20,157,709	1.95%	3,323
2019	12,078,000	145,024	--	3,130,000	3,184,597	--	--	18,537,621	1.53%	3,108
2020	10,826,000	73,618	--	2,809,000	3,166,769	--	--	16,875,387	1.27%	2,913
2021	9,550,000	--	--	2,481,000	3,148,940	--	--	15,179,940	1.10%	2,563
2022	8,240,000	--	70,823	2,147,000	3,131,113	322,360	--	13,911,296	1.01%	2,433
2023	7,843,000	--	41,221	1,808,000	3,113,283	515,551	144,814	13,465,869	0.82%	2,366
2024	6,472,000	--	66,900	1,463,000	3,095,455	928,235	390,323	12,415,913	0.65%	2,186
2025	5,483,000	--	47,009	1,109,000	3,077,627	800,485	257,351	10,774,472	0.51%	1,830

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

(2) See the Schedule of Demographic and Economic Statistics. Data on personal income for the Town distinct from larger statistical units is not available so a meaningful comparison of total debt to personal income cannot be computed.

SCHEDULE 12
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable to Town of Bay Harbor Islands (1)	Estimated Share of Direct & Overlapping Debt
Direct:			
Bay Harbor Islands	$ 5,244,463	100.00%	$ 5,244,463
Overlapping:			
Miami-Dade Board of County Commissioners (2)	2,310,220,000	0.21%	4,882,914
Miami-Dade County School Board (3)	1,025,088,000	0.21%	2,166,640
Total overlapping	3,335,308,000		7,049,554
Total direct and overlapping	$ 3,340,552,463		$ 12,294,017

Notes:
(1) The percentage of overlapping debt payable is estimated by dividing the Town's population of 5,887 by the County's population of 2,774,250 obtained from U.S. Census Bureau.

(2) Source: Miami-Dade County, Florida, Finance Department; ACFR 2024

(3) Information obtained from Miami-Dade County School Board ACFR for fiscal year ended June 30, 2025.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 13
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed values (1):										
Taxable value of real property	$ 765,830,207	$ 868,025,758	$ 1,018,874,072	$ 1,199,898,720	$ 1,317,241,744	$ 1,358,207,676	$ 1,356,365,268	$ 1,611,939,712	$ 1,917,946,701	$ 2,105,479,877
Add: Exempt real property	444,372,802	576,225,941	702,001,113	662,500,517	615,865,109	529,855,176	441,971,417	158,526,959	170,114,606	182,193,360
Total assessed value of real property	$ 1,210,203,009	$ 1,444,251,699	$ 1,720,875,185	$ 1,862,399,237	$ 1,933,106,853	$ 1,888,062,852	$ 1,798,336,685	$ 1,770,466,671	$ 2,088,061,307	$ 2,287,673,237
Legal debt margin:										
Debt limitation (25% of assessed real property)	$ 302,550,752	$ 361,062,925	$ 430,218,796	$ 465,599,809	$ 483,276,713	$ 472,015,713	$ 449,584,171	$ 442,616,668	$ 522,015,327	$ 571,918,309
Total bonded debt	7,273,081	6,961,253	6,641,425	6,314,597	5,975,769	2,147,000	5,066,097	13,610,683	11,030,455	9,669,627
Legal debt margin	$ 295,277,671	$ 354,101,672	$ 423,577,371	$ 459,285,212	$ 477,300,944	$ 469,868,713	$ 444,518,074	$ 429,005,985	$ 521,625,004	$ 562,248,682
Total net debt applicable to the limit as a percentage of debt limit	2.40%	1.93%	1.54%	1.36%	1.24%	0.45%	1.13%	3.08%	0.07%	1.69%

Note: The Town may incur bonded debt up to 25% of the assessed valuation of real estate within its boundaries per section 45 of the Town Charter.

(1) See the Schedule of Assessed Value of Taxable Property for the property value data.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 14
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS

	Broad Causeway Revenue Bonds and Notes					
Fiscal Year	Gross Revenues	Operating Expenses	Net Available Revenue	Debt Service Amount		Coverage
2015	$ 5,757,614	$ 2,159,010	$ 3,598,604	$ 1,120,823		3.21
2016	6,484,815	2,509,514	3,975,301	1,120,836		3.55
2017	8,729,606	2,345,852	6,383,754	1,121,343		5.69
2018	9,656,230	2,598,543	7,057,687	1,120,319		6.30
2019	9,840,577	2,565,695	7,274,882	1,120,788		6.49
2020	8,253,032	2,174,804	6,078,228	1,120,701		5.42
2021	9,299,919	2,131,692	7,168,227	1,121,058		6.39
2022	9,177,878	2,802,465	6,375,413	1,146,054	(1)	5.56
2023	11,253,132	5,451,092	5,802,040	1,186,940		4.89
2024	11,613,456	6,302,086	5,311,370	1,108,818		4.79

	Sewer Fund State Revolving Loan					
Fiscal Year	Gross Revenues	Operating Expenses	Net Available Revenue	Debt Service Amount		Coverage
2015	2,051,031	1,096,990	954,041	75,320		12.67
2016	2,058,738	1,270,576	788,162	75,320		10.46
2017	2,266,313	1,389,039	877,274	75,320		11.65
2018	2,382,977	1,311,744	1,071,233	75,320		14.22
2019	2,384,428	1,476,108	908,320	75,320		12.06
2020	2,323,675	1,405,847	917,828	75,320		12.19
2021	2,461,280	1,557,462	903,818	75,320		12.00
2022	N/A	N/A	N/A	N/A	(2)	N/A
2023	N/A	N/A	N/A	N/A	(2)	N/A
2024	N/A	N/A	N/A	N/A	(2)	N/A

	Revenue Bonds and Refunding Note						
Fiscal Year	Sales Tax	Franchise Fees	Utility Tax	Total Revenues	Debt Service Amount		Coverage
2015	$ 434,991	$ 363,587	$ 452,355	$ 1,250,933	$ 541,611		2.31
2016	441,069	350,674	455,606	1,247,349	535,582		2.33
2017	421,028	358,731	465,565	1,245,324	437,094		2.85
2018	444,758	371,041	496,433	1,312,232	501,958		2.61
2019	463,401	387,317	512,875	1,363,593	502,285		2.71
2020	401,379	380,091	527,415	1,308,885	507,407		2.58
2021	504,873	401,000	547,547	1,453,420	507,334		2.86
2022	705,261	466,503	572,296	1,744,060	583,984	(1)	2.99
2023	815,977	512,667	649,486	1,978,130	566,528		3.49
2024	782,724	498,556	668,603	1,949,883	498,132		3.91

(1) The Town implemented GASB No. 87 for the fiscal year ended September 30, 2022.

(2) Debt service on the note and all remaining interest was paid as of September 30, 2021.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 15
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

		Miami- Dade County **				
Year	Bay Harbor Islands Population *	Personal Income	Per Capita Personal Income	Unemployment Rate	Civilian Labor Force	Median Age
2016	5,975	123,276,064	45,440	5.8%	1,334,404	40
2017	6,006	131,244,442	47,813	5.0%	1,375,376	40
2018	6,006	138,138,976	50,022	3.6%	1,363,766	40
2019	5,964	149,166,155	54,902	2.9%	1,463,774	40
2020	5,793	N/A	N/A	8.0%	1,396,663	40
2021	5,922	N/A	N/A	N/A	N/A	N/A
2022	5,717	N/A	N/A	2.3%	1,371,121	N/A
2023	5,679	N/A	N/A	1.8%	1,380,174	N/A
2024	5,679	N/A	N/A	2.4%	1,449,909	N/A
2025	5,887	N/A	N/A	2.9%	1,414,461	N/A

Note: Except for population, demographic statistics on the county level were the most specific available.

* Source From 2025: U.S. Census Bureau

** Source: Miami-Dade County Finance Department and
U.S. Department of Commerce, Economic and Statistics Administration,
Bureau of Economic Analysis/Regional Economic Information System,
Florida Agency for Workforce Innovation, Labor Market Statistics,
Miami-Dade County Department of Regulatory and Economic Resources, Research Section
University of Florida Bureau of Economic and Business Research

N/A Information unavailable as of the date of this report.

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 16
FULL TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government	18	18	21	21	22	24	24	20	11	21
Public safety	28	28	28	27	25	26	26	36	55	56
Transportation	5	5	6	7	5	5	5	3	4	5
Culture and recreation	4	6	5	8	8	8	8	13	15	7
Total governmental activities	55	57	60	63	60	63	63	72	85	89
Business-type activities:										
Causeway	6	6	6	6	6	6	6	21	24	8
Sewer	1	1	1	1	1	1	1	3	4	1
Water	2	2	2	2	3	3	3	4	6	2
Parking	1	1	1	1	1	1	1	3	3	2
Stormwater	0	0	0	0	0	0	0	1	1	0
Total business-type activities	10	10	10	10	11	11	11	32	38	13
Total primary government	65	67	70	73	71	74	74	104	123	102

Source: Town Finance Department

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 17
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
General government										
Elections Held	2	1	1	1	1	1	1	1	1	1
Newsletters Issued	12	12	12	12	10	12	12	12	12	12
Town Council Meetings	11	11	10	10	8	8	15	14	17	18
Planning & Zoning Board Meetings	19	12	13	15	9	12	12	18	10	4
Public safety										
Case numbers issued	843	739	702	702	804	1,005	995	578	699	831
Arrests	83	72	70	51	49	36	37	68	66	38
Calls for service	17,223	21,985	19,334	20,021	23,211	32,102	30,012	23,370	30,656	44,545
Business-type activities:										
Causeway										
Traffic Count (vehicles)	7,917,781	7,779,309	7,992,743	7,939,642	6,647,870	7,419,637	8,141,885	8,799,455	9,316,848	9,583,818
Sewer										
Average Monthly Sewage Volume (thousands of gallons)	19,836	20,008	19,200	22,684	23,269	25,666	21,229	21,401	22,059	17,228
Water										
Average Monthly Gallons Purchased (thousands)	24,221	26,600	28,127	26,614	26,419	34,511	28,489	24,879	27,524	27,743
Average Monthly Gallons Sold (thousands)	21,884	22,474	22,884	22,511	22,333	21,904	22,301	21,639	23,470	22,192
Parking										
Parking Citations	2,626	2,307	2,573	1,838	1,058	1,470	2,057	2,858	1,731	4,201

Source: Town Finance Department

TOWN OF BAY HARBOR ISLANDS, FLORIDA

SCHEDULE 18

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Public safety										
Patrol Cars/SUV	25	26	26	26	28	28	28	28	29	29
Police Boats	1	1	1	2	1	1	1	1	2	2
Transportation										
Streets and roads (feet)	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396	47,396
Culture and recreation										
Parks	3	3	3	3	3	3	3	3	3	4
Business-type activities:										
Causeway										
Bascule Bridges	1	1	1	1	1	1	1	1	1	1
Fixed Span Bridges	3	3	3	3	3	3	3	3	3	3
Sewer										
Pump Stations	1	1	1	1	1	1	1	1	1	1
Lift Stations	5	5	5	5	5	5	5	5	5	5
Sanitary Sewers (feet)	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296	43,296
Water										
Water Mains (feet)	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725	44,725
Stormwater										
Valley gutters (feet)	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592	86,592
Outfalls	53	53	53	53	53	53	53	53	53	53

Source: Town Finance Department

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To The Honorable Mayor, Town Council and Town Manager
Town of Bay Harbor Islands, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Bay Harbor Islands, Florida (the "Town"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 31, 2026. Our report included an emphasis of matter related to the adoption of an accounting principle and a correction of an error.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2025-02, 2025-03, 2025-04, 2025-05 and 2025-06 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2025-01 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2025-01.

Town's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
July 31, 2026

Current Year Financial Statement Findings

SIGNIFICANT DEFICIENCY

2025-01 Non-Compliance with Florida Statutes

Criteria: Section 218.39(1), Florida Statutes, requires that a local government shall have an annual financial audit of its accounts and records completed within nine (9) months after the end of its fiscal year.

Condition: The Town did not issue and file the September 30, 2025 financial statements with the Auditor General by June 30, 2026, or the Annual Financial Report ("AFR") to the Florida Department of Financial Services by June 30, 2026, as required by Florida Statutes.

Cause: The Town experienced significant personnel turnover within the finance department.

Effect: The lack of personnel led to delays in performing required financial statement closing procedures.

Recommendation: We recommend that the Town assess the finance department staffing needs and hire the required personnel.

Town Response: Management concurs with the finding. The Town missed the Section 218.39(1), Florida Statutes deadline for the FY2025 ACFR due to vacancies and transitions in the Financial Services Department, which delayed year-end reconciliations and GASB statement preparation.

To resolve this, the Town has filled all vacant accounting positions with qualified professionals. Management is committed to restoring compliance with statutory reporting deadlines and maintaining adherence to GASB standards and sound financial reporting practices.

MATERIAL WEAKNESS

2025-02 – Financial Reporting

Criteria: Management is responsible for maintaining effective internal control over financial reporting to ensure that financial records are complete, accurate, properly classified, and capable of supporting the preparation of financial statements in conformity with generally accepted accounting principles. Governmental accounting standards require account balances, fund activity, and fund balances to be appropriately recorded, reconciled, and presented. Additionally, GASB Statement No. 54 requires proper fund balance classification, and GASB Statement No. 100 requires the correction of prior-period errors through restatement when previously issued financial information is determined to be materially misstated. Further, building permit revenues governed by Florida Statutes (Section 553.80, F.S.) require that building permit fees and related revenues be used solely for building code enforcement activities and allow unexpended balances to be carried forward for such purposes.

Condition: During the audit, numerous significant audit adjustments and auditor-proposed journal entries were identified and recorded to properly state account balances and financial statement disclosures. In addition, the Town determined that while building permit revenues and expenditures had historically been accounted for within the General Fund, the accumulated carryforward amount attributable to building code enforcement activities had not been separately tracked or evaluated. As a result, the Town was unable to determine and report the appropriate fund balance designation associated with those resources in prior years. Management subsequently performed an analysis of historical building department activity and recorded a correction of error to properly report the accumulated balance attributable to building code enforcement activities.

Current Year Financial Statement Findings (Continued)

Cause: The conditions resulted from deficiencies in the Town's financial reporting processes, including staffing transitions within the Financial Services Department, delays in completing year-end reconciliations and account analyses, and the absence of procedures to historically identify and monitor the accumulation of building permit revenues and related expenditures for financial reporting purposes.

Effect: These conditions increased the risk of material misstatement and resulted in numerous adjustments during the audit process. Additionally, the inability to determine the accumulated balance attributable to building code enforcement activities resulted in an error in the reporting of fund balance and reduced transparency regarding resources available for building department operations. As a result, a correction of error was required to properly report the accumulated balance and related fund balance classification.

Recommendation: The Town should strengthen its year-end financial reporting process by implementing comprehensive account reconciliation, review, and financial statement preparation procedures. Management should also maintain detailed tracking and periodic analyses of accumulated building permit revenues, expenditures, and related balances to ensure that fund balance classifications are properly determined and reported in accordance with governmental accounting standards and applicable statutory requirements.

Town Response: Management concurs with this finding and recommendation. Effective FY2025, the Town established a separate Building Fund to account for building permit revenues and related expenditures in accordance with Section 553.80, Florida Statutes, and GASB Statement No. 54. This structural change ensures that building department activities are no longer commingled within the General Fund and that fund balance associated with these restricted resources is separately identified and reported.

In conjunction with establishing the new fund, management conducted a lookback analysis to determine the appropriate historical fund balance attributable to building permit activity. Upon completion, the required reclassification or transfer of resources was recorded to bring the fund balance classification into conformity with applicable accounting standards and statutory requirements.

Additionally, conditions related to financial reporting deficiencies identified were attributable to staffing transitions within the Financial Services Department during the audit period, which created gaps in year-end close execution and delayed resolution of adjustments prior to audit fieldwork. Management acknowledges that the volume of PBC and auditor-proposed entries reflects a reportable deficiency in internal control over financial reporting.

In response, management is implementing the following corrective measures: (1) a year-end close calendar with internal deadlines for account reconciliations, trial balance review, and PBC package preparation; (2) standardized reconciliation templates with supervisory review and sign-off for all significant accounts; and (3) a pre-audit trial balance review to identify and resolve adjustments prior to submission to external auditors.

These measures will be implemented during FY2026 and are expected to be fully operational in advance of the FY2026 year-end close.

Current Year Financial Statement Findings (Continued)

2025-03 - Change Management Policy & Procedures

Criteria: Effective internal control over information technology requires that organizations establish and maintain formal change management policies and procedures governing system modifications. These policies should ensure that changes are properly authorized, tested, approved, and implemented with appropriate segregation of duties to prevent unauthorized or inappropriate changes to systems and data. such as the requested change, approvals, and testing are tracked in written form and kept for auditing purposes.

Condition: The engagement team determined that the Town of Bay Harbor Islands does not have a documented change management policy or formal procedures governing system changes. As a result, changes to systems may not be consistently documented, approved, tested, or tracked. In the absence of a formal policy, there is an increased risk that changes are implemented without sufficient oversight or supporting documentation. Additionally, IT personnel may have excessive discretion to implement changes resulting in inappropriate changes being implemented in the IT environment.

Cause: The condition appears to be the result of management not formalizing IT governance practices due to the size of the organization and reliance on informal processes. Procedures for documenting, approving, and testing system changes have not been established in a consistent or controlled manner.

Effect: The lack of a documented change management policy increases the risk that system changes are uncontrolled, inadequately tested, or improperly implemented, which may impact the reliability and integrity of financial systems and data. Additionally, the absence of defined roles, approvals, and documentation may allow excessive discretion by IT personnel and reduces the audit trail necessary to support changes made within the IT environment.

Recommendation: Town management should compose written procedures related to program maintenance and change management to provide a guideline for the specific practices to be followed when modifying company systems. An effective change management policy should include the following:

- A description of those responsible for program maintenance
- A description of the process by which changes are requested (i.e., who can initiate, who must approve and authorize)
- A description of the process by which approved changes are tested
- A description of the formal evaluation and approval process of test results by management prior to implementing a change
- A description of implementation planning for configurations to application

If a change management policy is not drafted then at a minimum management should consider implementing a change tracking mechanism in a written form (e.g. email) and include important attributes of a change such as the requestor, change requested, approvals, test plan, and implementation plan. These emails would serve as change tickets and should be kept for auditing purposes.

Town Response: Management agrees with the finding and plans to implement procedures to strengthen controls over system changes. The Town will develop written guidance and/or implement a formal tracking mechanism to ensure that changes are appropriately documented, reviewed, approved, and tested prior to implementation.
Management will continue to monitor these procedures to ensure that changes to systems are adequately controlled and documented, thereby improving oversight and reducing risks within the IT environment.

Current Year Financial Statement Findings (Continued)

2025-04 - User Access Reviews

Criteria: Effective internal control over financial reporting and information technology requires that organizations periodically perform and document user access reviews to ensure that access to systems and data is appropriate based on job responsibilities. Controls should ensure that access for terminated or transferred employees is timely removed or modified, and that privileged access is restricted to authorized personnel.

Condition: The engagement team determined that the Town of Bay Harbor Islands does not perform or document periodic user access reviews for Active Directory and Tyler InCode. As a result, access rights are not formally reviewed to ensure they remain appropriate, increasing the risk that user access is excessive or not updated in a timely manner.

Cause: The condition appears to be due to the absence of formal policies and procedures governing user access review processes, including responsibility, frequency, and documentation requirements. Management has relied on informal processes without periodic validation of user access rights.

Effect: The lack of periodic user access reviews increases the risk that inappropriate or unauthorized access to systems and financial data may exist, including access retained by terminated or transferred employees or excessive privileges granted to users. This control deficiency reduces the effectiveness of safeguards over financial systems and may increase the risk of errors, unauthorized transactions, or data manipulation.

Recommendation: The Town should implement a formal process to perform periodic (e.g., semiannual) user access reviews for all key systems, including Active Directory and Tyler InCode. The review should be performed by appropriate department personnel independent of system administration and should include:

- Review account listings to ensure generic/group IDs are appropriate (use of such is strongly discouraged and should be minimized to the extent possible)
- Review individual user access to systems to ensure access is restricted to appropriate functions based on current job responsibilities.
- Review access to powerful privileges, system resources, and administrative access to ensure access is restricted to a very limited number of authorized personnel.
- All reviews should be formally documented, and any identified issues or conflicts in access rights should be promptly investigated and resolved.

Town Response: Management agrees with the finding and has implemented procedures to improve oversight of user access. The Town will perform periodic reviews of user access for key systems and ensure that access rights are appropriate and aligned with current job responsibilities.
Management will document these reviews and follow up on any identified issues to ensure timely resolution. These actions are expected to strengthen internal controls over system access and reduce risks related to unauthorized or inappropriate access.

2025-05 - Backup Recovery Testing

Criteria: Effective internal control over information technology requires that organizations maintain reliable data backup processes, including periodic testing of backup restoration procedures, to ensure that critical data can be recovered in the event of system failure, data corruption, or other disruptions. Such controls are essential to maintain the integrity and availability of financial data used in financial reporting.

Condition: The engagement team determined that the Town of Bay Harbor Islands does not perform scheduled testing of backup restorations (e.g., annually). As a result, the Town does not have assurance that backed-up data can be successfully restored in the event of system failure or data loss.

Current Year Financial Statement Findings (Continued)

Cause: The condition appears to be due to the absence of formal policies and procedures requiring periodic backup testing, as well as limited formalization of IT controls given the size and resources of the organization.

Effect: The lack of periodic backup testing increases the risk that backed-up data may be incomplete, corrupted, or not restorable, which could result in the loss of critical financial data. This deficiency may impair the Town's ability to recover from system disruptions and impacts the reliability and availability of data necessary for financial reporting and operations.

Recommendation: The Town should implement procedures to perform periodic backup restoration testing (at least annually) to verify that backups are complete, functional, and recoverable. Testing results should be documented and reviewed, and any identified issues should be promptly remediated to ensure data integrity and availability.

Town Response: Management agrees with the finding and has implemented procedures to improve oversight of data backup and recovery processes. The Town will perform periodic backup restoration testing to ensure that critical data is secure and recoverable in the event of a disruption.

Management will document the results of these tests and address any identified issues in a timely manner. These actions are expected to strengthen controls over data protection and reduce risks associated with data loss.

2025-06 - Penetration Testing

Criteria: Effective internal control over information technology and financial reporting requires that organizations implement security monitoring and vulnerability assessment procedures, including periodic penetration testing, to identify and mitigate risks related to unauthorized access, system weaknesses, and data breaches.

Condition: The engagement team determined that the Town of Bay Harbor Islands has not performed penetration testing on its local server environment. As a result, the Town does not have assurance that vulnerabilities within its IT infrastructure have been identified and appropriately addressed.

Cause: The condition appears to be due to the absence of formal IT security policies and procedures requiring periodic vulnerability assessments and penetration testing, as well as limited IT governance processes given the size and resources of the organization.

Effect: The lack of penetration testing increases the risk that undetected vulnerabilities exist within the Town's IT environment, which could be exploited to gain unauthorized access to systems and data. This deficiency may compromise the security, confidentiality, and integrity of financial data and increases the risk of data breaches or system disruptions that could impact financial reporting.

Recommendation: The Town should implement procedures to perform periodic penetration testing of its IT environment, either internally (if qualified resources are available) or through a third-party specialist. The testing should identify potential vulnerabilities from both internal and external perspectives, and results should be documented, reviewed, and remediated in a timely manner.

Town Response: Management agrees with the finding and plans to implement procedures to strengthen IT security controls. The Town will evaluate options to perform periodic penetration testing and vulnerability assessments, including engaging qualified third-party resources as needed.

Management will review the results of such testing and take appropriate corrective actions to address identified vulnerabilities. These efforts are expected to enhance the security of the Town's IT environment and reduce risks related to unauthorized access and data breaches.

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MANAGEMENT LETTER IN ACCORDANCE WITH THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

To the Honorable Mayor, Town Council, and Town Manager
Town of Bay Harbor Islands, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Bay Harbor Islands, Florida (the "Town"), as of and for the year ended September 30, 2025, and have issued our report thereon dated July 31, 2026. Our report included an emphasis of matter paragraph related to the adoption of a new accounting principle and a correction of an error. Our opinion was not modified with respect to these matters.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports and schedule, which are dated July 31, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The Town has made these disclosures in the notes to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Town met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Town did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), *Rules of the Auditor General*, we applied financial condition assessment procedures for the Town. It is management's responsibility to monitor the Town's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, such recommendations have been included in the accompanying Schedule of Findings and Responses.

Special District Component Units

Section 10.554(1)(i)5.c., *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the Town is required to include a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did operate within the Town's geographical boundaries during the fiscal year under audit.

As required by Section 10.554(1)(i)6.b., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the Town, a list of all program administrators and third-party administrators that administered the program. A list of program and third-party administrators can be found here:

- https://www.broward.org/Sustainability/Pages/PACE.aspx

As required by Section 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the Town, the full names and contact information of each such program administrator and third-party administrator. The full names and contact information for such program and third-party administrators can be found here:

- https://www.broward.org/Sustainability/Documents/PACEProviderList_2025.pdf

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, or abuse, that has occurred or is likely to have occurred, that has an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, federal, state, and other granting agencies, Members of the Town Council, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
July 31, 2026

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INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415 FLORIDA STATUTES

To the Honorable Mayor, Town Council and Town Manager
Town of Bay Harbor Islands, Florida

We have examined the Town of Bay Harbor Islands, Florida's (the "Town"), compliance with the requirements of Section 218.415, Florida Statutes, *Local Government Investment Policies* (the "specified requirements"), during the year ended September 30, 2025. Management is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent of the Town and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Town's compliance with the specified requirements.

In our opinion, the Town complied, in all material respects, with the specified requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the Town Council, management, and the state of Florida Auditor General and is not intended to be and should not be used by anyone other than these specified parties.

Citrin Cooperman & Company, LLP

Fort Lauderdale, Florida
July 31, 2026

IMPACT FEE AFFIDAVIT

BEFORE ME, the undersigned authority, personally appeared Gerald Bryan, Finance Director, who, being duly sworn, deposes and says under oath as follows:

1. I am the Finance Director for the Town of Bay Harbor Islands, Florida, which is a local governmental entity of the State of Florida;

2. The governing body of the Town of Bay Harbor Islands, Florida adopted (Ordinance Numbers 621 and 784) implementing an impact fee and authorizing the Town of Bay Harbor Islands to receive and expend proceeds of such impact fee; and

3. Town of Bay Harbor Islands has complied with, and as of the date of this Affidavit, remains in compliance with Section 163.31801, Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

Gerald Bryan, Finance Director

STATE OF FLORIDA
COUNTY OF MIAMI DADE COUNTY

SWORN TO AND SUBSCRIBED before me this 12 day of June, 2026.

NOTARY PUBLIC
Print Name Kelly Guerra

Personally known X or produced identification ______

Type of identification produced: ________________

My Commission Expires:

KELLY GUERRA
Notary Public - State of Florida
Commission # HH 638421
My Comm. Expires Feb 10, 2029
Bonded through National Notary Assn.